

Pankin: Mideast peace talks on course

TEL AVIV (R) — Soviet Foreign Minister Boris Pankin said Tuesday that political upheaval in the Soviet Union would not change Moscow's plans to co-sponsor a Middle East peace conference set for October. "We will be going in the same direction as previously," Mr. Pankin said of joint U.S.-Soviet plans for peace talks between Israel and the Arabs in an interview with Israel Radio. Tuesday's edition of the newspaper Davar quoted Mr. Pankin as saying: "I hope to leave soon for a visit to the Middle East and Israel as planned, possibly even before October. There is no reason why the conference won't take place in October." U.S. President George Bush said on Monday that the timetable for a peace conference was uncertain. Israel has demanded the Soviet Union restore full diplomatic relations with it before the peace conference opens. Moscow severed ties after the 1967 war but has since upgraded relations to the consular level. U.S. Secretary of State James Baker is expected to return to the Middle East later this month to finalize plans for the conference.

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Parliament to be adjourned Sept. 5

AMMAN (Petra) — Speaker of the Upper House of Parliament (Senate) Ahmad Lawzi Tuesday chaired a meeting of the Senate attended by Prime Minister Taher Masi and cabinet ministers. Parliament Secretary-General Saleh Zu'bi read out a Royal Decree adjourning the parliament's extraordinary session as of Sept. 5. The Senate approved the decision of the Higher Council for the Interpretation of the Constitution on the defence law and the amendments thereof by the Lower House. The Senate referred the draft state security court law to the Legal Committee for debate and discussed the Financial Committee's decision on the provisional revised income tax law for the year 1989. Mr. Zu'bi read out the letter of the Lower House speaker in which he expressed the House's endorsement of the Higher Court of Justice Law as referred to it by the Upper House. The Senate decided to hold a session Wednesday to discuss other pending issues on the house's agenda.

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House refers press law to committee

AMMAN (Petra) — The Lower House of Parliament held a meeting Wednesday under the chairmanship of Speaker Abdul Latif Arabiyat in the presence of Prime Minister Taher Masi. The House referred a draft law on press and publications and a Zarga university draft law to the Legal Committee and discussed the Financial Committee's resolutions on a supply law. The House approved six articles of the supply law and postponed debate on the rest. The House also approved a fiscal budget appendix and a draft law on clearing responsibility as a result of lifting the martial law. The House decided to hold a meeting Wednesday morning.

Sheikh Jaber visits S. Arabia

BAHRAIN (AP) — The emir of Kuwait, Sheikh Jaber Al-Ahmad Al-Sabah, arrived in the Saudi Arabian summer capital of Jeddah on Tuesday for talks with King Fahd, the Gulf News Agency reported. The surprise trip of Sheikh Jaber is his first since he returned to Kuwait in March when he was reinstated as ruler of the emirate after U.S.-led Operation Desert Storm ended seven months of Iraqi occupation. Sheikh Jaber had spent the seven months in exile in Saudi Arabia. Arab diplomats expected the issue of security in the region to top the agenda of Sheikh Jaber's talks with King Fahd. The Kuwaiti government is preparing to sign bilateral military accords with the United States, and possibly Britain, to ensure continued U.S. military support (see page 2).

Turk convicted of spying for Iraq

ANKARA (AP) — A military court convicted a Turk on Tuesday of spying for Iraq during the Gulf crisis, and sentenced him to 12 1/2 years in jail. The general staff court ruled that Necati Oyan, a 54-year-old restaurant cashier in the Mediterranean port of Mersin, had supplied information to Iraqi intelligence in return for money. Mr. Oyan had confessed that he had been lured into spying for Iraq for \$1,000 a month and had been trained in the use of invisible ink. The court rejected his defence that he had given the Iraqi intelligence only information compiled from the newspapers, or just fabricated reports. He was arrested in January. In Turkey, military courts handle espionage cases. Last December, another Turk was sentenced to 12 years on similar charges and an Iraqi military attaché was expelled for his role in that case.

Tunisian sergeant kills four people

TUNIS (R) — A frenzied Tunisian army sergeant shot and killed a soldier and three civilians before being gunned down by soldiers, local newspapers said Tuesday. The unidentified sergeant killed a soldier Sunday night at the Rimel army barracks, near the northern town of Bizerte. He then blasted a passing car, killing the driver and wounding his wife, and ran amok in the Bizerte suburbs, shooting dead two other civilians. The Tunisian daily Assabah said he was gunned down by soldiers who surrounded him.

Mzali's home to be auctioned

TUNIS (R) — The Tunisian government is to auction the million-dollar home of exiled Prime Minister Mohammad Mzali, a legal notice published Tuesday said. The property of two houses on about four hectares of land in the Skoura area near Tunis is to be auctioned on Sept. 18. The reserve price is fixed at \$1,000,000. Mr. Mzali was prime minister under former President Habib Bourguiba from 1981 to 1986. He escaped into exile after his removal from the post in July 1986. Early this summer he issued a statement critical of President Zine Al Abidine Ben Ali, who took over from Mr. Bourguiba in November 1987. The statement was also signed by Rachid Ghannouchi, exiled chief of the outlawed Muslim fundamentalist movement Nahdha.

Soviet congress to consider independence of all republics

Baltic states apply for U.N. membership

MOSCOW (Agencies) — A draft resolution distributed to members of the Soviet legislature Tuesday proposed recognising declarations of independence by all Soviet republics which have made them.

If approved in its present form, the resolution would apparently amount to recognition of the independence of Lithuania, Latvia and Estonia and other republics which have declared their intention to secede from the Soviet Union.

Several of the non-Baltic republics wanting to leave the Soviet Union have also indicated their wish to form a new, looser union with Moscow.

The resolution and any amendments were expected to be debated Wednesday by the Congress of People's Deputies, the supreme law-making body.

The draft called for the congress "to recognise acts on state sovereignty adopted by the republics which are members of the USSR, recognise their territorial integrity and existing borders between them."

President Mikhail Gorbachev, warning that the nation was on the verge of an "unmanageable breakup," has forcefully urged lawmakers to adopt a sweeping plan to radically transform the Soviet Union.

Speaking to lawmakers after Russian President Boris Yeltsin

harshly criticised him for failing to foresee last month's coup. Mr. Gorbachev said that now is not the time for divisiveness. "I think there should be some understanding of my position. ... We are all one, side by side. We should not split on one another," he told the Congress of People's Deputies.

Meanwhile, in a move to placate critics at the congress, Mr. Gorbachev withdrew his proposal for a new, smaller legislature with 20 representatives from each republic. He instead suggested reforming the Supreme Soviet, the 542-member standing legislature elected by the congress, according to draft legislation circulated at the parliament Tuesday.

Estonia, Latvia and Lithuania, sponsored by France and Britain, Tuesday formally requested membership in the United Nations at the earliest possible date, a British spokesman said.

French Ambassador Jean-Bernard Mérimée and British Ambassador Sir David Hannay handed letters from the three Baltic states to Secretary-General Javier Perez de Cuellar, the spokesman added.

The letters request that the admission procedure be given immediate attention so that the Baltics may participate in the 46th General Assembly session, which begins on Sept. 17, a French spokesman said.

Last month's attempted hard-line coup in Moscow prompted Estonia and Latvia, among others, to declare full independence from the Soviet Union. Lithuania had done so in March 1990.

French Foreign Minister Roland Dumas last week visited the capitals of Estonia, Latvia and Lithuania and received their letters of application.

Both France and Britain, permanent members of the Security Council, were urged by European Community foreign ministers to advise the Baltic states on membership.

The Security Council recommends membership of a state. The application then has to be approved by the General Assembly which formally admits the state.

Diplomats said Britain and France were fairly certain the Soviet Union would not use its veto power in the Security Council to block the membership or they might have delayed in submitting the applications.

Estonia, Latvia and Lithuania virtually clinched their independence of Soviet rule Monday when the United States announced immediate diplomatic recognition.

Washington followed almost 40 other capitals in recognising Baltic independence hours after President Gorbachev introduced radical plans to reform the Soviet

Union by giving republics freedom to shape their own ties with Moscow.

The Ukraine and Byelorussia have been U.N. members since the founding of the organisation although their independence until now has been a diplomatic fiction.

In their letters of application, all three Baltic states pointed to their independence as "full-fledged members of international organisations" between the two world wars. They were part of Russia before the 1917 revolution and were annexed by the Soviet Union in 1940.

Mr. Gorbachev pleaded to the congress Tuesday for adoption of proposals they made for a radical change in the country's power structure.

"I hope that the congress will have enough wisdom and will to adopt this decision, which is the only right one," he told the congress.

Mr. Gorbachev, who at times sounded anxious, suggested there could be associate members in a revamped Soviet Union.

"Let us make this union really voluntary so that it meets (different) interests," he said.

"Let it be possible to have a federative membership on some questions, co-federative on others, and associative on a third

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Algeria to lift state of emergency this month

ALGIERS (AP) — The state of emergency imposed since opposition-led violence in June will be temporarily lifted this month, a local newspaper said Tuesday.

The move could encourage opposition parties not to boycott legislative elections this year. The state of emergency, imposed on June 5 following widespread anti-government violence spawned mainly by the Islamic Salvation Front (FIS), a fundamentalist opposition group, will be lifted Sept. 21, the paper Essalam said.

It will be raised on the occasion of the Prophet Mohammad's birthday, the paper said, but did not say if it would be reinstated after that.

The report could not be confirmed with government officials. The state of emergency is scheduled to run out on Oct. 5, at which point President Chadli Benjedid will decide whether to extend it or not.

A curfew imposed along with the state of emergency was lifted for four days last month for the observance of a holiday, and not reimposed.

The violence that brought the government action came as campaigning for legislative elections opened in early June. Oppositionists led by the FIS took part in protests for democratic and election reforms that turned violent.

The government says 55 people were killed and nearly 3,000 arrested, but the opposition claims 300 were killed and 8,000

taken into custody. Those elections were postponed and are to be held before the end of the year, but no date has been announced.

Leaders from more than 40 opposition parties met with government officials including Premier Sid Ahmed Ghozali for two rounds of three-day talks last month to organize the elections. The front boycotted those talks because its top leaders have been arrested by the government for encouraging rebellion.

The other opposition parties at the meeting demanded an end to the state of emergency and a release of people being detained in connection with the election violence as conditions for the new balloting to take place.

The talks ended with no visible progress, although the proceedings were broadcast live on national television and radio — a first for Algeria, where rival political parties had been outlawed since the country's independence from France in 1962 until 1989.

Mr. Benjedid, whose ruling National Liberation Front (FLN), has ruled this country as a Marxist state, dissolved his cabinet following the violence and appointed Mr. Ghozali pressing in a bid to quell unrest and show he was pressing ahead with democratic reforms.

On Monday a senior FIS official of Abdul Kader Hachani, ruled out his party's participating in new elections unless its leadership is released.

Egypt said ready to press Kuwait not to expel Gazans

By Rana Sabbagh
Reuters

AMMAN — Egypt is expected to press Kuwait to let thousands of Gaza Palestinians stay in the emirate, a Jordanian official said Tuesday.

He said the U.N.'s top official for Palestinian refugees, United Nations Relief and Works Agency (UNRWA) chief Iltis Turkman, had raised the issue in Cairo and was told that Egypt, which administered the Gaza Strip before it was occupied by Israel, would use its influence with Kuwait.

Palestinian residents of Kuwait are being forced out of the emirate in reprisal for the Palestine Liberation Organisation (PLO) pro-Iraqi stand in the Gulf war.

Most have Jordanian passports, resulting in a refugee influx to Amman expected to reach 300,000 people. But 23,000 others originate from the Gaza Strip.

King Hussein has expressed concern that Gaza Palestinians expelled from Kuwait, lacking proper documents to enter Egypt, might have no where to go but Jordan.

Egypt joined the Gulf war alliance against Iraq and has more influence with Kuwait.

Mr. Turkman, whose UNRWA cares for Palestinian refugees including 950,000 registered in Jordan, is now in Amman after a visit to Cairo.

Mr. Turkman told us he discussed the humanitarian and political aspects of the Gazans and the Egyptians pledged they would get Kuwait to keep them there," the Jordanian official, who declined to be named, told Reuters.

UNRWA was not available for comment. Another Jordanian official said Mr. Turkman, in Amman on a four-day visit, also discussed the legal rights of returnees, who may be eligible for compensation from Iraq under a U.N. fund established after the Gulf war.

The fund, set up under ceasefire terms, would give \$2,500 to each non-Kuwaiti worker forced to leave the emirate because of the crisis.

UNRWA schools in Jordan have taken in about 5,000 new students since the Gulf crisis started.

Some officials want UNRWA to expand the umbrella of its mandate and care for any Palestinians, even if they are not registered refugees.

UNRWA has not resisted this idea but Jordanian officials say the agency would have to launch an appeal to raise funds.

Israeli haggling over budget turns acrimonious

TEL AVIV (Agencies) — Israeli budget-making is never a pretty sight. But when ministers accuse each other of being power-hungry, or betraying Zionism, and words like "idiot" and "insolence" are heard, Israelis know this year's budget is special.

The cabinet was expected to sit into the early hours of Wednesday to settle the dispute, but already the 94 billion-shekel (\$39 billion) budget has generated some of the most heated language heard among Israeli leaders.

"There are many words flying about, and I advise we all put on our helmets, so that if one of them falls on our heads we won't be injured," says Finance Minister Yitzhak Mordechai, whose 1992-1993 budget is at the root of the dispute.

The triangular fight reflects:

Israel's most pressing needs. It pits Mr. Mordechai against Defence Minister Moshe Arens, who says he needs more money to defend the country, and Housing Minister Ariel Sharon, whose has to build homes for new immigrants as well as Israelis settling in the occupied territories.

Mr. Mordechai's 1992-1993 budget includes an expected 7.5 billion shekel (\$3 billion) deficit and forecasts some 250,000 Soviet immigrants.

Prime Minister Yitzhak Shamir has reportedly stepped in with a compromise that would give defence some of the extra money it wants. The finance ministry warns that any increases will boost the deficit and fuel inflation.

The public, meanwhile, is being subjected to scare head-

lines about new taxes on everything from gasoline to old-age pensions if the increases are approved.

Concerns have been voiced that increasing the deficit could deter the United States from approving Israel's request to underwrite \$10 billion worth of loans to help absorb the immigration wave.

Yaakov Frenkel, governor of the Bank of Israel, is saying the deficit should be reduced, and that the emphasis should shift from housing the immigrants to finding them jobs.

Mr. Mordechai insists that Mr. Arens make do with 1.1 billion shekel (\$458 million) less, and that Mr. Sharon eliminate a department overseeing construction in the occupied territories, and rural areas.

Mr. Arens wants an extra one billion shekels (\$416 million). Mr. Sharon claims the treasury's demands on him reflect "a distorted view of Zionism," the ideology of Jewish state-building.

Mr. Sharon has called Mr. Mordechai amateurish and accused him of "coming up with 10 conflicting (economic) plans this year, something that borders on insolence."

He also said Mr. Mordechai underestimates the number of immigrants likely to arrive, while Mr. Arens claimed the opposite — that the previous budget forecast up to 400,000 newcomers, and only 200,000 arrived.

"Any idiot could make the calculations that the finance

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Ensour: Strain with Egypt will not affect Middle East peace process

AMMAN (J.T.) — Foreign Minister Abdullah Ensour said a war of words with Egypt over the two countries' role in Gulf crisis would not affect the Middle East peace process.

"I don't think the substance (of the peace process) will be affected because we and Egypt see things in terms of principle not as a matter of emotions and provocation," Dr. Ensour was quoted as saying by Reuters.

"We have always had every now and then differences with Egypt and probably Egypt with other countries but we have always been able to solve them," he said.

Dr. Ensour said he believed a peace conference, being promoted by Washington, would take place as scheduled in October but said Jordan had not been in-

formed of any upcoming visit by U.S. Secretary of State James Baker.

Israel Expects Mr. Baker to visit the region next week.

Egypt Monday issued a document for discussion to the Arab League accusing Jordan of "naked lies" in a "White Book" released by Amman last month defending the Kingdom's stand in the Gulf crisis.

Published on the anniversary of Iraq's 1990 invasion of Kuwait, the White Book contained letters embossing Jordan's efforts to solve the crisis and suggested that Egypt had backtracked during efforts to avert war.

Jordanian political sources said Amman had not expected an uproar over the White Book but emphasised the Kingdom was not

apologising for its stand. They said Egypt's response was not expected to arise for discussion at the Sept. 10 Arab League meeting which Dr. Ensour will attend.

Arab League Secretary-General Esam Abdel Meguid told reporters Monday that, as requested by Egypt, the league had distributed Cairo's response for discussion during a Sept. 10 meeting.

The White Book, a 78-page document, referred to incidents in which Egypt or President Hosni Mubarak stopped Jordan from pursuing an Arab solution to the Gulf crisis.

Egypt submitted the document to the league at a time when there were calls for Arabs to unite ahead of proposed Arab-Israeli talks in October.



COPING WITH A VOLCANO: Villagers in after powerful mudflows from Mount Pinatubo Angeles City, the Philippines, use makeshift Volcano knocked down the town's concrete bridge wooden bridges to cross the silted up Abacan River

Khartoum protests at Kouchner's visit to south

KHARTOUM (R) — Sudan has protested to the Paris government about a visit by a French minister to a rebel-held town in southern Sudan.

The official Sudan News Agency (SUNA) said the Khartoum Foreign Ministry told the French charge d'affaires that the visit by Secretary of State for Humanitarian Affairs Bernard Kouchner was unfriendly and contravened diplomatic norms.

It said Mr. Kouchner had turned himself into a spokesman for the rebel Sudan People's Liberation Army (SPLA) by meeting its leader, John Garang, at Kapoeta at the weekend.

Mr. Kouchner told reporters in the Kenyan capital Nairobi that Colonel Garang was still in control of the movement, despite reports that he had been toppled by disaffected commanders accusing him of "a reign of terror."

The SPLA is fighting to end what it sees as domination by the north over the south.

The Sudanese Foreign Ministry, quoted by SUNA, said it was surprised that Mr. Kouchner had visited southern Sudan yet had twice postponed visits to Khartoum.

In Paris, Mr. Kouchner said Tuesday he had seen a camp of 10,000 children apparently recruited to fight in Sudan's eight-year-old civil war.

Mr. Kouchner told French radio he visited a village on Sudan's border with Ethiopia last week inhabited by 10,200 boys, aged between eight and 14.

The boys were "brainwashed" and heartless because they are without love," he said.

Local investment bank bags commercial BCCI

By a Jordan Times
Staff Reporter

AMMAN — Jordan's Business Bank (Investments) has purchased the three local branches of the troubled Bank of Credit and Commerce International (BCCI) and the deal will be formally concluded after the authorities have obtained court clearance for the sale, informed sources said Tuesday.

The Business Bank, which opened its doors as an investment bank early this year after eight years of operations as portfolio agents, also secured the coveted commercial banking licence of BCCI Jordan with its JD 1,260,000 offer.

The Arab Banking Corporation (ABC-Jordan) and the Union Bank for Investments were also contenders, but they fell far behind in their offers against that of the Business Bank, a source familiar with the deal said.

"For all practical purposes the deal is done and sealed," said the source. "The Business Bank has acquired the three BCCI branches in Jordan," the source added, preferring anonymity.

According to the sources, the ABC and Union submitted offers above JD 500,000 but well below the sale price after the Central Bank of Jordan (CBJ) lowered its condition for a minimum bid of JD 1 million.

The Business Bank, which now has to raise its present JD 4 million capital to JD 5 million in line with Jordanian regulations, hopes to operate its new acquisitions under the name "National Business Bank" subject to CBJ approval, said a source who is close to the new owners of BCCI Jordan.

"We are ready to start commercial operations as soon as

the legal formalities are concluded," said the source. "It might take a few days before everything is settled and the actual change of ownership comes into force in the full legal sense."

"There will not be any change in the status of the 90 employees of BCCI," added the source. "It is part of the deal."

Two Pakistani nationals who were with BCCI Jordan were already relieved of this posts before the sale.

According to legal sources, the Central Bank of Jordan is seeking a court approval for the sale after the Economic Security Committee (ESC) said it was not empowered to issue an approval.

Officials and representatives of BCCI as well as the Business Bank were in court Tuesday and were told that it would take at least a week before a court approval would be issued, the sources said, explaining the reason for a delay in a formal announcement of the deal by the authorities.

"There cannot be any legal hurdle for the deal to go ahead; it is only a matter of completing formalities to the letter of the law," one source told the Jordan Times.

"After all, the authorities have to take into consideration all legal implications of the transfer of ownership, particularly that unprecedented international scandals surround BCCI operations elsewhere," added the source, referring to charges of massive fraud, money-laundering and drug connections levelled against

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Iraq publishes law permitting parties

BAGHDAD (R) — Iraq's Revolution Command Council (RCC) issued a new law Tuesday allowing opposition political parties — but not in the army, the government's power base.

The law, part of democratic reforms pledged by Iraqi President Saddam Hussein after the Gulf war, allows only the ruling Baath Party to operate in the armed forces and security services.

The new measures, which have been revised since the National Assembly first submitted them to the RCC in early July, were published prominently by all state-run newspapers.

It says new parties must defend Iraq's sovereignty and unity and take pride in the achievements of the 1958 revolution, which led to the creation of a republic, and the July 1968 revolution, which brought the Baath Party to power.

The reference to the July 1958 military coup, which toppled the monarchy and brought in a left-wing government, was an addition to previous published drafts of the law.

The act, and a promised new constitution, are central to Baghdad's efforts to unite the country after the Gulf war and subsequent abortive rebellions in the Kurdish north and Shiite south.

Democratic reform is a key demand of Kurds currently holding autonomy talks with Baghdad. Kurdish leaders have sent a draft accord giving them broad political rights and administrative responsibilities back to the government for clarification.

The Baath Party keeps a key advantage in being the only party allowed to campaign and lobby for members within the million-strong army and security services.

"The Baath Party should be in the armed forces to defend the revolution and prevent any military coup," National Assembly Speaker Sa'di Mehdi Saleh said in the debate on the draft law.

The 34-clause act stipulates that new parties may not be established on the basis of race, regionalism, sectarianism, or atheism, or be anti-Arab.

But in a significant shift, it does allow religious parties to function, provided they are not sectarian-based. Baath Party principles bar the politicisation of religion.

A party can be founded by a minimum of 150 people aged at least 25.

No party can receive funds from abroad and anyone breaching this part of the law could face life imprisonment, a revision to the previous law which set death as the penalty.

It gives the cabinet authority to dissolve any party that has not reached 1,000 registered members within two years of being formed, is engaged in activity threatening state security, takes part in acts of violence, is found in possession of weapons or explosives, interferes with the internal affairs of another country contrary to Iraq's interest or attacks the rights and freedom of other parties.

The new parties' right to exist will be enshrined in a new constitution, which Mr. Saleh said would be put to the people to vote on in a referendum within months.

Information Minister Hamid Yousef Humaidi said in June that the government would announce a programme for multi-party elections by the end of the year.

He told Reuters that of the Iraqi parties now working underground, only the Daawa Party, a Shiite Muslim group close to Tehran, would fail to qualify for legal recognition because of its religious ideology and foreign connections.

Shrines reopened

Two of Iraq's holiest Muslim shrines heavily shelled in the Shiite rebellion were formally reopened Monday under the watchful eyes of Republican Guards.

The shrines at Najaf to Imam Ali, cousin and son-in-law of the Prophet Muhammad, and to his sons Abbas and Hussein, at Karbala, were battered in the short-lived Shiite riots in March.

None of the shrines has been fully restored but there was less destruction at Najaf than at Karbala, 80 kilometres to the north, where a huge area surrounding the town was pulverised by shelling.

The twin minarets of Ali's mosque, the most sacred of the three, are pockmarked by bullets. There is scaffolding around the golden dome and the main gateway to the tomb is boarded up.

Several hundred men sat cross-legged on elegant carpets in the marble courtyard to hear speeches by Najaf Governor Major-General Abdul Rahman Al-Douri and one of the most senior Shiite clerics, Imam Hussein Bahar Al-Olmouk.

Dozens of red-beretted Republican Guards and regular troops mingled with the faithful. Sheep were lined up on the pavement for ritual slaughter.

Several thousand chador-clad women, tears streaming down their faces, surged forward as a side door to the tomb was opened to allow the governor and Religious Affairs Minister Abdullah Fadhel to tour the silver-grilled, gold-crowned sarcophagus.

Gold decorations and crystal chandeliers sparkled in reflected light from mirrored glass walls and ceilings.

There were similar scenes at the Karbala ceremony outside the shrine of Abbas, more fully restored than the one to Hussein 200 metres away.

Both domes are still being patched. Large sections of the outside wall of Hussein's mosque show gaping shell holes and much of its mosaic has been ripped away by gunfire.

The government ordered 35 million dinars (\$12 million at the official exchange rate), 100 kg gold and 200 kg of silver to be used to restore the shrines.

Baghdad spurned an offer of help from Iran, suspicious that its Shiite neighbour helped foment the March rebellion.

Aoun exhorts Lebanese against 'bitter reality'

BEIRUT (AP) — Exiled General Michel Aoun urged his countrymen Tuesday to change "the bitter reality," apparently alluding to the Syrian influence which he had tried to end in one of the bloodiest rounds of civil war fighting.

The letter from Gen. Aoun was published on the front-page of the leading newspaper Al Nahar, as leaflets signed by supporters of the former army commander called for a rebellion against the Syrian army and President Elias Hrawi's government.

Hundreds of copies of the statement littered the main streets, including the busy Hamra commercial thoroughfare, six days after Gen. Aoun was sent into exile in France.

The leaflets were signed by the hitherto unknown "Revolutionaries of Gen. Michel Aoun" and addressed to "the glorious people of Lebanon."

"The time of revolution is approaching. Let us rise together to liberate our land ... from Syrian occupation," the statement said. "Let us rid Lebanon of the rotten leaders."

It was not known who was behind the pro-Aoun campaign or how the statements were distributed.

Al Nahar said that the letter from Gen. Aoun was delivered by hand to its correspondent in Paris by someone who visited the general. It has no other details.

Kuwait: accord with U.S. has no bearing on Damascus pact

CAIRO (AP) — Kuwait's foreign minister said Tuesday that an agreement on Gulf security with the United States will not prevent the implementation of an accord with Egypt and Syria.

Sheikh Salem Al Sabah said his country and the United States have not signed an accord yet but they have agreed on the broad lines.

"This agreement does not prejudice at all the Damascus declaration but is complementary to it because the Damascus declaration is the basis of everything," Sheikh Salem told reporters.

The minister referred to an agreement signed in March in Damascus. It provided that Egypt and Syria station troops in the Gulf to ensure the area's security after the Gulf war in exchange for financial aid from the six Gulf states — Saudi Arabia, Kuwait, the United Arab Emirates, Oman, Bahrain and Qatar.

"Our brothers the Syrians and the Egyptians stood with us in the worst of times and it is on them that our agreement depends," Sheikh Salem said.

The United States, which led a 33-nation military coalition that ended — a seven-month Iraqi occupation of Kuwait, originally was to have completed withdrawal of its troops from Kuwait this month.

But last week it extended its military deployment there for a few more months, saying Kuwait has made slower-than-expected progress in rebuilding its army.

Pentagon spokesman Pete Williams said Washington expects to complete an agreement soon with Kuwait on U.S. use of Kuwaiti military installations.

but published a picture of the handwritten message.

"I have full trust in the Lebanese people and their ability to change the bitter reality," Gen. Aoun said. "They have not deceived me, not for a single day, and they will not deceive themselves either today or tomorrow."

He did not say what he expected his people to do.

Mr. Hrawi, at France's insistence, signed a pardon last week that gave Gen. Aoun 48 hours to leave Lebanon. The decree ordered Aoun to stay away from political activities for the next five years.

It was not clear if the letter published by Al Nahar would be considered a violation of the amnesty.

Gen. Aoun arrived in Marseille, France, last Friday. Under elaborate security, he had been whisked the day before out of the French embassy in Beirut, escorted by French navy vessels to Cyprus and then flown to France.

Gen. Aoun took refuge at the embassy after Syrian troops and Lebanese army units loyal to Mr. Hrawi crushed his year-long rebellion on Oct. 13 last year.

Gen. Aoun's campaign against the Syrians, the main power brokers in Lebanon, touched off bloody civil war fighting that lasted about a year, killed nearly 1,000 people and wounded 2,700.

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MIDDLE EAST NEWS IN BRIEF

Rebel Kurds sabotage train in Turkey

MUS, Turkey (AP) — Mines apparently planned by Kurdish separatists exploded on railroad tracks in eastern Turkey on Monday, injuring four people, the semi-official Anatolia news agency said. Anatolia said the blast forced several cars of an express train to jump the tracks near Kalekurt village in Mus province. The injured included three policemen and a machinist, it said. A police officer was killed in an ensuing clash between the rebels and elite police commandos who arrived on the scene, Anatolia said. Meanwhile, about 3,000 troops and policemen were combing the adjoining Bingol province in search of three Americans, one Briton and one Australian who were taken off buses and led away by armed Kurdish insurgents Friday night. The kidnapped tourists were identified as Americans Ronald Wyatt, Marvin Wilson, Richard Rives, as well as Gareth Thomas of Britain and Dr. Allen Roberts, an Australian. The Americans and the Australian were reportedly on an expedition connected with the search for the remains of Noah's Ark. The Bible says the ark landed on Mount Ararat after a huge flood. Friday's kidnapping was the second involving Westerners within a month. On Aug. 1, 10 German tourists were snatched from their camp by guerrillas of the illegal Kurdish Labour Party (PKK). They were released eight days later. PKK has been fighting for an independent state since 1984 in southeastern Turkey, home to half of the country's 12-million Kurds.

Police kill seven, arrest 90 in Egyptian shootout

CAIRO (AP) — Seven men were shot dead and 90 arrested in a 16-hour shootout between an alleged gang of highway robbers and their supporters and police in southern Egypt, daily Al-Ahram newspaper said in its early Tuesday edition. The newspaper said nine others were wounded in the battle between dozens of policemen and the alleged robbers. The fighting took place in a small village in the governorate of Qena, 650 kilometres south of Cairo. Al-Ahram said that a spate of armed robberies of cars were traced to the robbers in the small village. The village was surrounded but the alleged highway robbers and their supporters started shooting, resulting in a 16-hour battle which left seven dead, nine wounded and 90 arrested. The newspaper did not say when the shootout took place. No further details were available and no comment could be obtained from the interior ministry.

Argentines land contracts in Kuwait, Menem says

BUENOS AIRES (R) — Two Argentine companies have landed multi-million dollar contracts in Kuwait to retrieve explosive mines and put out fires on oil wells, President Carlos Menem said Monday. Mr. Menem told reporters at the presidential palace that a local firm called Puna y Asociados was one of 17 foreign outfits contracted by Kuwait to extinguish fires in hundreds of booby-trapped oil wells. Another local company was contracted to clear anti-personnel mines from a 124 square kilometre area in Kuwait, Mr. Menem said. "These contracts will yield over \$100 million in earnings," he added. Argentina was the only Latin American country that sent troops to the U.S.-led force that fought Iraq in the Gulf war. Mr. Menem dispatched two missile-launching warships that carried out non-combat tasks in the multinational blockade pressing Iraq to pull out of Kuwait.

Gulf finance ministers to meet next week

MANAMA (R) — Finance ministers from six Gulf Arab states will meet in Riyadh next week for talks which diplomats say may centre on a \$10 billion fund to channel aid to countries hit by the Gulf crisis. An official at the Gulf Cooperation Council (GCC) headquarters in Riyadh told Reuters the meeting, postponed from late July, would be held on Sept. 10 and 11. He declined to give further details. Finance ministers from the GCC, which groups Bahrain, Kuwait, Qatar, Oman, Saudi Arabia and the United Arab Emirates, decided in Riyadh last May to set up the fund to help reform the economies of Arab states. GCC officials said then that the money — which was to have come mainly from wealthy members like Saudi Arabia and the United Arab Emirates — would go to the private sectors of recipient countries rather than to governments as in the past. The fund should start extending loans in 1992 and will back programmes approved by international bodies like the World Bank and the International Monetary Fund, GCC officials said. All Arab countries will eventually benefit but Egypt and Syria, which sent troops to the U.S.-led coalition during the Gulf war, will initially receive most of the money.

Italian photojournalist held in spy probe

NICOSIA (AP) — An Italian photojournalist has been arrested in Turkish-occupied northern Cyprus after being accused of taking pictures of military positions, press reports said. The Italian, identified as Massimo Rana, 29, was ordered held for eight days while police complete their investigation, the Turkish Cypriot Halkin Sesi newspaper reported. The newspaper alleged that Mr. Rana was "an agent working for the Greek Cypriots," according to the Cyprus News Agency in the Cypriot capital, Nicosia. He was detained on Aug. 27 and the court's remand order came Saturday. The news agency said Mr. Rana, a Milan-based photographer who works for an Italian picture agency, went to the Turkish-occupied area through a U.N.-controlled checkpoint in the Nicosia buffer zone. Turkish troops invaded and occupied the northern 37 per cent of the island in 1974 after a coup against the republican government by soldiers who sought to unite Cyprus with Greece.

Iran: Turkish bank guarantees unreliable

NICOSIA (R) — Iran told its businessmen on Tuesday not to trust bank guarantees issued by Turkish banks and instead rely on European banks in their dealings with Turkey. Guduz Eftekar Jahromi, of the government-affiliated international legal services bureau, told reporters in Tehran a number of Turkish businessmen had filed suits in Turkish courts against their Iranian partners. "The Turkish courts ... without service of the claim to the Iranian sides and without the due process of international business protocols, have issued rulings barring payment of the bank guarantees to the Iranian businessmen," the Iranian news agency IRNA quoted Eftekar Jahromi as saying.

Kuwaiti general asserts Iraq ordered infiltration

KUWAIT CITY (AP) — Kuwait's deputy chief of staff claimed Tuesday that the Iraqis caught infiltrating Bubiyan Island carried orders from the Iraqi government and fired heavy machine guns at the Kuwaitis who first approached them.

General Jabir Khalid Al Sabah's statement provided the first details of the action last Wednesday on the strategic island, which Iraq has denied was carried out by its forces.

Gen. Sabah, in an interview with the Associated Press, also said the number of "Iraqi infiltrators" caught was 84, contradicting earlier reports that 46 were captured.

"I'm giving you the right number, which has been recorded with the United Nations and the Red Cross," he said in the interview at his headquarters in Kuwait City.

Christophe Girod, chief delegate of the International Committee of the Red Cross (ICRC), told the AP that ICRC delegates saw 45 prisoners Tuesday and expected to see the others tomorrow.

"We have registered 45 and they're all Iraqi," he said.

Gen. Sabah said that some intruders may have been killed while they were fleeing in their boats.

"There has to be (some dead) because there are quite a number of boats which have been fired at and sunk," he said. "But I can't give you the number of those who were killed."

Gen. Sabah said all the prisoners were Iraqi and that they included some soldiers and four teenagers. He said there were no women or children among them, which also contradicted earlier reports.

"They were in civilian dress. I have an officer (in captivity) and he's in civilian dress, too," he said.

Iraq has denied its forces carried out the action, saying Kuwait fabricated the incident to help keep U.S. forces in the region. Kuwait and other Gulf states have accused Iraq of a major violation of the Gulf war ceasefire.

Officials of the U.N. Iraq-Kuwait Observer Mission, which is investigating the incident, met with the prisoners but refused to divulge their number or nationality. U.N. officials also declined to comment on Gen. Sabah's statement.

Gen. Sabah said the intruders had documents issued by the Iraqi government authorising them to "go to that area, collect ammunition, and try to go inside Kuwait. They were told to come here or they would be shot."

Gen. Sabah said the battle began when Kuwaiti coast guards spotted some boats approaching the island.

He said the area was scouted by aircraft and a number of people were seen on the island in addition to a "number of boats with machine guns on top of them."

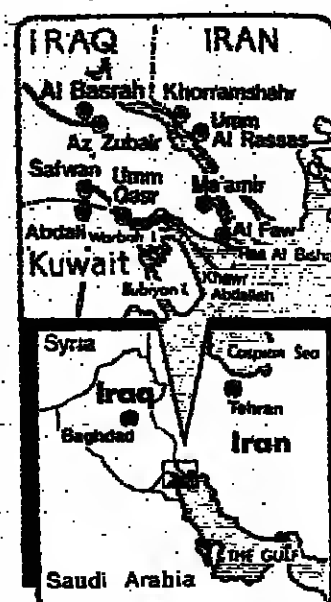
"We sent one of our boats, a police boat, towards the island," he said. "As soon as they came close they were fired at by the Iraqis."

"The coast guard fired back to cover themselves and pulled back," he added, noting that the infiltrators had heavy machine guns while the coast guardsmen carried only M-16 automatic rifles.

Gen. Sabah said four Kuwaiti air force Skyhawks and two Mirage fighters attacked the island as a military target also were fired upon. "When people fire at you you have to fire back ... it was a battle," he said.

Gen. Sabah referred to the action as "a good operation," though he noted some of the intruders managed to flee. Asked how the prisoners were being treated, Gen. Sabah replied "we are human." He added that the Red Cross was allowed to see them.

He said it was up to the Kuwaiti government to determine their fate noting the captured men eventually could be returned to Iraq as prisoners of war.



Map showing the location of Bubiyan Island in the Persian Gulf, near Kuwait and Iraq.

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Israeli haggling over budget

(Continued from Page 1)

ministry made," Mr. Arens was quoted as saying at an earlier cabinet meeting.

Mr. Modai called a news conference Monday at which he said: "If Mr. Sharon thinks the finance ministry is an enemy of Zionism and I head it, it seems I am suspected of being a Syrian or an Iraqi."

According to the daily Yedioth Ahronoth, he said Mr. Sharon cared only for "his own political

power and not the country's economy. He wants as much money as possible, in order to distribute it among his supporters in a election year."

As for defence, said Mr. Modai on Israel Television, if Mr. Arens wants more money he should itemise his needs.

"When they want something from the Americans they do not hesitate to give them an itemised list of every detail," Mr. Modai said. "But the budget of the state of Israel doesn't have to know where the money is going?"

Investments bank bags BCCI

(Continued from Page 1)

the bank.

The international ownership and links with BCCI Jordan did not have any bearing on the options available to the CBJ under Jordanian regulations, which empower the Central Bank to take over any bank, regardless of ownership, if it feels public deposits are threatened.

In the case of BCCI, whose Luxembourg-based headquar-

ters and European branches were taken over by the concerned monetary authorities in early August, the CBJ has ensured that all foreign currency deposits with BCCI Jordan were transferred to the Centra Bank since April 1991.

Obviously anticipating the troubles and scandals which led to its international collapse, the CBJ took over the three BCCI branches at the same time European authorities acted against the bank.

JORDAN TELEVISION

Tel: 77311-19

PROGRAMME TWO

18:00 Variety programme
19:00 News in French
19:15 Variations
19:30 News in Hebrew
20:00 News in Arabic
20:30 Golden Girls
21:10 Silk Route of the Sea
22:00 News in English
22:20 Le Roi Mystery

PRAYER TIMES

04:07 Fair
06:07 (Sunrise) Dhuhr
12:35 Dhuhr
16:10 'Asr
19:02 Maghrib
20:22 'Isha

CHURCHES

St. Mary of Nazareth Church Switich, Tel. 810740
Assembly of God Church, Tel. 637265
St. Joseph Church Tel. 624590
Church of the Annunciation Tel. 637440
St. Paul Church Tel. 661757
Travellers Church Tel. 623366
Church of the Annunciation Tel. 637440

623541, Anglican Church Tel. 623583, Tel. 628543
Armenian Catholic Church Tel. 771331
Armenian Orthodox Church Tel. 772611
St. Ephraim Church Tel. 771751
Armenian International Church Tel. 683236
Evangelical Lutheran Church Tel. 811295
The Church of Jesus Christ of Latter-day Saints Tel. 823874, 654932
Church of the Nazarene Tel. 675691.

WEATHER

Bulletin supplied by the Department of Meteorology.

It will be fair and winds will be northwesterly moderate. In Aqaba, winds will be northerly moderate and seas calm.

Amman Min./max. temp. 17 / 27
Aqaba 23 / 34
Djessra 15 / 32
Jordan Valley 23 / 35

Yesterday's high temperatures: Amman 27, Aqaba 34, Hamaidi readings: Amman 55 per cent, Aqaba 38 per cent.

JORDAN TIMES DAILY GUIDE AND CALENDAR

USEFUL TELEPHONE NUMBERS

NIGHT DUTY

AMMAN:
Dr. Ahmad Othman 790286
Dr. Mohammad Al Sawra 732056
Dr. Salim Al Daboubi 776751
Dr. Abdul Aziz Taboun 787008
First Pharmacy 661912
Fardous pharmacy 778336
Al Asema pharmacy 637055
Nourah pharmacy 623672
Al Salem pharmacy 636730
Yacoub pharmacy 649495
Shamsi pharmacy 637660

IRBID:

Dr. Mahmood Khatib (—)
Al Shams Pharmacy (273525)

ZARQA:

Dr. Khalil Abu Hussein (—)
Khalil Pharmacy 985417

EMERGENCIES

Food Control Centre 637111

Civil Defence Department 661111
Civil Defence Immediate 630341
Rescue 630341
Civil Defence Emergency 199
Fire Brigade 192, 621111, 637777
Blood Bank 775121
Highway Police 843402
Traffic Police 853090
Public Security Department 63021
Hotel Complaints 787111
Price Complaints 661176
Water and Sewerage 897467
Complaints 897467
Complaints 897467
Telephone Information (directory assistance) 121
Overseas Calls 010290
Central Amman Telephone Repair 623101
Abdali Telephone Repair 661101
Jordan Television 773111
Radio Jordan 774111
Water Authority 680100
Jordan Electricity Authority 815615
Electric Power Company 636381
RJ Flight Information 06-53200

Queen Alia Intl. Airport 06-53200

HOSPITALS

AMMAN:
Hussein Medical Centre 813813/32
Khalid Maternity, J. Amn. 644281/6
Akila Maternity, J. Amn. 624412
Jabal Amman Maternity 64262
Malina, J. Amman 626140
Palestine, Shamsi 664171/4
Shamsi Hospital 669131
University Hospital 943845
Al-Mushtak Hospital 66727/9
The Islamic, Abdali 666127/7
Al-Ahli, Abdali 664164/6
Italian, Al-Muhajirah 771013
Al-Bashir, J. Asrafiah 775111/2
Amn, Marfa 891611/5
Queen Alia Hospital 62240/50
Amal Hospital 674155
ZARQA:
Zarqa Govt. Hospital (09)983322
Zarqa National Hospital (09)900550
Ibn Sina Hospital (09)987322
Al Hilam Modern Hospital (99) 90990
IRBID:
Princess Basma Hospital (02)275555
Greek Catholic Hospital (02)272275

Regent, Dutch parliamentarians review Middle East issues

AMMAN (J.T.) — His Royal Highness Crown Prince Hassan, the Regent, Tuesday presented Jordan's position with regard to the Middle East question during a meeting with a visiting parliamentary delegation from the Netherlands, and emphasised that Jordan was assuming a serious role designed to establish a just and honourable peace.

The Regent stressed the importance of the human dimension and called on the world powers to take into account the sufferings of the people in the Middle East when planning for the peace process. He also urged the Western countries to give due assistance to the Jordanian and Palestinian expatriates evicted from Kuwait.

The delegation includes Henricus Aerts, Adriaan Melkert, Frans Weisglas, Meindert Leerting, Jacob Konhatsmann, Jan Arend Lomik, Johan Gualtherie, Van Wezel and Jan Jooren. They arrived in Amman Monday evening in the course of a tour of the region.

The delegation members, who will go to the occupied West Bank Wednesday, had a meeting Tuesday with Foreign Minister Abdullah Ensour who said that Jordan attached great importance to its ties with the Netherlands and looks forward to a more active role by the Hague within the European Community to promote the cause of peace in the Middle East.

Dr. Ensour called on Europe to help establish peace based on the international legitimacy and the U.N. Security Council resolutions.

The foreign minister drew the parliamentary delegation's attention to Israel's intransigent position with regard to a peaceful settlement and said that by pursuing their settlement programme in the occupied Arab lands, the Israelis were placing obstacles in the path of peace.

The minister also drew the visitors' attention to the current difficulties facing Jordan in view of the additional burden of hosting the expatriates expelled from Kuwait.

The parliamentary delegation earlier met with Speaker of the Lower House of Parliament Abdul Latif Arabiyat and House members to discuss Middle East issues and the Palestine problem.

Speaking for the delegation, Mr. Aerts said that the Netherlands supported Jordan's views regarding demands for safeguarding human rights of all people and said that the delegation's visit to Jordan was deemed important in the course of the Dutch parliament's current fact-finding mission designed to help find a solution to the Palestine problem.



Foreign Minister Abdullah Ensour Tuesday meets a Dutch parliamentary delegation which Wednesday will be leaving for the West Bank on a fact-finding mission (Petra photo)

Celebrations to mark Prophet Mohammad's birthday

AMMAN (Petra) — The national committee in charge of preparing for Prophet Mohammad's birthday celebrations on Sept. 20 held a meeting under the chairmanship of Minister of Awqaf and Islamic Affairs Raef Nijem and discussed the ministry's arrangements for holding the celebrations.

The committee decided to hold the ceremony under the patronage of His Majesty King Hussein on Aug. 19 at King Abdullah Ben Al Hussein Mosque in Amman and to hold other celebrations in the Kingdom's governorates and cities. Organisers also decided to form committees which will be chaired by the administrative governors and will include as members Islamic judges, directors of the departments of Awqaf and Education in the governorates, the mayors and presidents of the chambers of industry to supervise the celebrations in which public and private institutions will participate.

The committee also approved organising seminars that will be aired on radio and television to acquaint the public with the occasion and its significance in history and decided to hold an Islamic book exhibition in which local publishing houses will display their products.

Police discover fake bomb near U.S. embassy

AMMAN (R) — Jordanian officials said on Tuesday they had discovered a fake bomb near the American embassy in a parking lot used by diplomats.

They said the device — newspaper-wrapped wire coil with wooden sticks inside — was placed on the wall of a hotel parking lot opposite the embassy compound and detected by an off-duty embassy employee late on Monday.

Police briefly sealed roads around the embassy situated on a main street in the centre of Amman.

"The embassy guards contacted the police who went and examined the device and found no explosive material in it," an official told Reuters. "No one has been arrested in connection with the incident and an investigation is still going on."

Spokesmen at the U.S. embassy, which plans to move next year to a heavily-fortified walled compound at the edge of Amman, were not available for comment.

WHAT'S GOING ON

The following listings are compiled from monthly bulletins and the daily Arabic press. Readers are advised to verify the listed time and place with the concerned institutions.

EXHIBITIONS

- ★ Art exhibition by Ibrahim Abul Rabb at the Royal Cultural Centre.
- ★ Exhibition of ceramics by Iraqi artist Salim Jamil Al Noori at Alla Art Gallery.
- ★ An exhibition of naive painting, from Germany, at Abdul Hameed Shoman Foundation Gallery (opening ceremony at 6:00 p.m.).

CONCERT

- ★ Concert by Al Jeel Al Jadid folk troupe at the Royal Cultural Centre — 8:00 p.m.



His Majesty King Hussein talking to Geoffrey Stern for the BBC World Service programme 'Leaders and Leadership'

King Hussein interviewed on BBC World Service

HIS MAJESTY King Hussein describes how he feels the world misunderstood his country's position over Iraq's invasion of Kuwait, in a wide ranging interview being broadcast on BBC World Service today, Wednesday Sept. 4.

In the 30-minute interview with Geoffrey Stern, King Hussein talks frankly about his 38 years in office. He describes how he had serious doubts about the Arab-Israeli war of 1967 before it began, and how his worst suspicions and fears were confirmed when it developed into, what he describes, as a disaster for Jordan.

He also talks of how he rides his motorbike for relaxation and points out that during the last difficult year he has ridden it more often than in the past.

Introducing the programme Geoffrey Stern quotes Shakespeare: "Some men are born great, some achieve greatness and some have greatness thrust upon them." He shows how King Hussein might be considered great in all three respects if this test is applied.

As the grandson of King Abdullah, he was born to greatness, he had it prematurely thrust upon him when his grandfather was gunned down in front of him and his father was too ill to keep the throne, and as one of the world's longest serving rulers he has acquired the status of a great leader.

The interview with King Hussein can be heard in the "Leaders and Leadership" series on Wednesday at 20:30, repeated on Thursday, Sept. 5 at 02:30 and 10:01 (all times GMT).

Listeners in Jordan can hear the programme on 227m MW.

Note for readers: Cassettes of the 30-minute programme will be available at the beginning of next week from the BBC.

The above press release was issued by BBC international press office, London.

Workshop tackles agricultural system

AMMAN (Petra) — A specialised workshop on "The Future Perspective of the Integrated Agricultural Systems" has begun Monday at the University of Jordan's Faculty of Agriculture.

The seminar is organised by the Jordan Cooperative Organisation (JCO), the University of Jordan and the Ministry of Agriculture with support from the Australian government.

Dean of the Faculty of Agriculture Walid Abu Gharbiyyeh delivered an address at the opening ceremony of the workshop in which he commended cooperation between the governments of Jordan and Australia. Dr. Abu Gharbiyyeh expressed appreciation of the Australian government's support for extending support to an agricultural project whose aim was to increase producing legume animal feed that will be used for fattening sheep.

He said the workshop aimed at assessing the achievements of the project and at arriving at new ideas and strategies that could be of use to agriculture in Jordan.

Australian Ambassador to Jordan Albert Bawker, who attended the opening session, delivered an address in which he expressed appreciation for the cooperation and coordination between the two countries in various fields, particularly in agriculture.

He said the legume animal feed project, which was launched 10 years ago had achieved positive results. In addition to producing animal feed and fattening sheep, he said, the project aims at improving the composition of soil and increasing its fertility.

The four-day workshop will discuss working papers presented by specialised experts from the University of Jordan, the Jordan University of Science and Technology, the Ministry of Agriculture and the JCO.

The papers will deal with the uses of legume animal feed, ways of exploiting modern agricultural systems and providing consultancy to the agricultural sector in the Kingdom.

Conference tackles population in Jordan, growth and needs

AMMAN (J.T.) — The National Population Commission (NPC) is holding a general conference on population in Jordan and their basic needs between 1991 and 2005 later this month with the participation of local experts in population affairs.

A NPC statement said that the conference would review a set of studies covering the following: population and education; population; workforce and migration; population and needs of water and food; population and the needs of health services; population and public utilities and population and the need for preserving mothers' and children's well-being.

The conference, to be held between Sept. 24 and 26, is expected to draw up a national strategy on the Kingdom's population, according to the statement.

A NPC statement issued last April said that Jordan's population was expected to rise to 4,849,000 by the end of the century and to 5,670,000 by the year 2005, up from 3,453,000 at present.

The NPC quoted a recent study which revealed that between 1980 and 1985 the normal population growth in Jordan was 3.4 per cent annually but that this rate would drop to 3.1 per cent between 2001 and 2005.

According to the NPC secretary general, the estimates and predictions about the population growth were partly based on a census conducted by the Department of Statistics in 1979.



Naive painting exhibition opens

AMMAN (J.T.) — The Abdul Hameed Shoman Foundation Gallery is hosting an exhibition of Naive Painting from the Federal Republic of Germany in cooperation with the Goethe-Institut Amman, which is currently celebrating thirty years of operation (1961-1991). Opening today, Wednesday, Sept. 4, 1991 at 6:00 p.m. the exhibition consists of eighty-five works by thirty-two contemporary German artists.

Naive art has received increasing notice for several decades and enjoys astounding popularity today. This is reflected in the mass of exhibitions and publications as well as the number of new galleries dealing exclusively within this field.

For the naive artist, painting is the hobby which allows him to relax after a day of hard and often unpleasant work. This is the atmosphere in which he feels at home. The word "naive" came into the language in the 18th century out of the French, with Rousseau's philosophy. The French word comes in turn from the Latin "nativus": inborn, natural, original.

UNRWA head pledges assistance to needy Palestinian returnees

AMMAN (J.T.) — The United Nations Relief and Works Agency (UNRWA) for Palestine refugees will do all in its power to offer assistance to the needy people expelled from Kuwait, UNRWA Commissioner General Ilter Turkmen promised Tuesday.

In the meantime, UNRWA is going ahead with plans and programmes of offering urgent assistance to the Palestinian refugees in the occupied Arab territories, particularly those who have lost their livelihood after being expelled from Kuwait, Mr. Turkmen said during a meeting with His Royal Highness Crown Prince Hassan, the Regent.

Mr. Turkmen discussed with the Regent the general situation in Jordan and Palestine in the wake of the influx of nearly 300,000 Jordanian and Palestinian expatriates in the Kingdom.

"UNRWA fully realises the heavy burden imposed on Jordan as a result of the expulsion of the Jordanian and Palestinian people from Kuwait and will do all it can to assist the needy people," Mr. Turkmen said.

UNRWA's commitments to offer services to the Palestinian refugees and the impact on Jordan of the return of the expatriates were discussed in depth by the Regent and Mr. Turkmen when arrived in Amman Monday evening on a several day visit to Jordan.

The Regent presented the Jordanian government's stand vis-a-vis the expelled expatriates and the legal and humanitarian implications of the expulsion in the short and medium terms, according to the Jordan News Agency, Petra.

The agency quoted Mr. Turkmen as telling the Regent that UNRWA, along with the rest of the international community, condemns the ongoing Israeli settlement programme and the construction of Jewish settlements in the occupied Arab territories.

Mr. Turkmen discussed with Foreign Minister Abdullah Ensour UNRWA's operations and the plight of the returning expatriates as well as the conditions of refugees.

Petra said that the two officials had discussed cooperation between the government of Jordan and the agency in offering urgent services and assistance to the returnees.

The problem of evicted Palestinians, holding travel documents but not allowed to enter into Arab countries or pass in transit to Palestine or other countries, came up in the discussions at the Foreign Ministry, the agency said.

Mr. Turkmen, who voiced his appreciation for Jordan's efforts to help the refugees and expatriates, said that UNRWA would do all it can to absorb thousands of the returning Palestinian expatriate children into its schools and would offer them humanitarian and health services.

UNRWA Director General in Jordan Frank de Jonge told the Jordan Times last month that most of the returnee children were eligible for UNRWA assistance.

"For all practical purposes our facilities and services are available to all needy Palestinians regardless of registration," he said.

According to Mr. De Jonge, the agency's schools in Jordan absorbed 3,000 expatriate children since August 1990 when the expatriates started returning home from Kuwait following the Iraqi invasion of the emirate.



His Royal Highness Crown Prince Hassan, the Regent, Tuesday discusses with UNRWA commissioner General Ilter Turkmen (second right) and UNRWA Director general in Jordan Frank de Jonge (centre) assistance to Palestinian returnees (Petra photo)

Seminar participants attack poor state of journalism in the Kingdom

AMMAN (Petra) — The draft law on press and publication and The Press Association Law has come under bitter attacks by two noted columnists in the local press who said that the laws did not contribute to the improvement of journalism in Jordan.

Salim Sweiss, a lawyer by profession, said that the Jordanian press had not developed under the old press and publication law and the martial rule and that the press in the 1950s and 1960s was much more advanced and more objective than it is today.

Under martial law, newspapers and magazines were exposed to arbitrary measures stifling the writers. Unfortunately, local newspapers are pursuing the same theme and displaying the same lack of objectivity three years after the end of martial law, Mr. Sweiss said during a seminar on media in Jordan.

Mr. Sweiss said he was not enthusiastic about the new Press and Publication Law as he doubted it would offer further liberties to the press, owners and editors of newspapers.

Unless journalists are allowed to air their views freely and without any pressure or intimidation, and unless new talent is pumped into the press, there can be no improvement to the press and media in Jordan, he said.

Veteran journalist Arafat Hijazi presented a working paper to the meeting largely focusing on the Jordanian Press Association (JPA) and its laws and regulations.

The JPA has not taken any meaningful steps to raise the standard of journalism and has not yet taken steps to ensure the rights of the journalists or provide them with protection against arbitrary rule or unemployment, Mr. Hijazi said.

He demanded that the JPA law be amended to include these privileges so that journalism improve in the country.

Mr. Hijazi, who is also a columnist in Sawt Al Shaab daily, said that three main issues have to be tackled by the JPA: These are training for new graduates of journalism at universities and community colleges, absorption of experienced journalists returning from the Gulf states and proper handling of those JPA members who are no longer active journalists.

At the outset of the first session, lawyer Suleiman Al Hadidi presented a working paper on the press and publication, describing it as a qualitative improvement over the old law and urging the Ministry of Culture and Information to take steps towards its enforcement.



UNITED NATIONS

ECONOMIC AND SOCIAL COMMISSION FOR WESTERN ASIA

ADVERTISE

The United Nations Economic and Social Commission for Western Asia (ESCWA) is pleased to announce the establishment of its new premises in Amman as follows:

Shmeisani No. 28 Abdul Hamid Sharaf Street.

Telephone: 694351-8 lines

Fax: 694980-694981-694982

Telex: 21691-21697-21689 UNECWA

P.O.Box: 927115 - Amman.



INTERNATIONAL COMMUNITY SCHOOL THE BRITISH CURRICULUM SCHOOL IN AMMAN

We take children between the ages of 4-11 years and are the only school in Amman to offer the full British curriculum, adapting it to the needs of the International Community. Our language of instruction is English, with specialist support for non-English speakers. French and Arabic languages also offered. All our staff are U.K. qualified. The school provides a pleasant, stimulating environment and care is taken to meet the needs of each individual child. Places are still available for the Autumn term - commencing 8th September.

NURSERY CLASS We are also pleased to announce a nursery class for 3-4 years olds. Registrations now being taken. School office open daily from September 1st.

Address: P.O.Box 2002, Khilda, Amman, Telephone: 841070

Jordan Times

An independent Arab political daily published in English by the Jordan Press Foundation. Established 1975

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Peace vs. slender hopes

MUCH CAN still happen before October to affect the form of any Middle East peace conference. We cannot even be sure that the conference will take place. An impasse has been reached on the question of Palestinian representation and it is difficult to see how it can be resolved.

There is one view which says that it does not have to be resolved because the PLO is in such a weak position that it cannot prevent the conference from taking place on the humiliating terms on which the Israeli government is now insisting. According to Dr. Nabil Shaath, chairman of the Palestine National Council's Political Committee, these include not only Israel's right to veto the inclusion of individual Palestinian delegates within the joint Jordanian-Palestinian delegation but the requirement that the delegation should be Jordanian in name, that its Palestinian members should sit in but not speak and that the head of the delegation should submit his speech 24 hours in advance. No doubt U.S. pressure could induce Israel to reduce these demands. But on two points Israel will not relax: The future status of Jerusalem must not be mentioned and there must be no question of self-determination for the Palestinians. It must be clear that this latter point is the same as "no exchange of territory for peace" because even in the unlikely event that Israel were prepared to give up the West Bank, it would not be able to prevent Jordan or the U.N. from allowing the Palestinians to set up their own state in the future.

The question is whether, as the U.S. and some other Western "optimists" believe, a peace conference really can go ahead on these terms. Was Sharmat right when he told young Zionists recently in Jerusalem that Israel was consolidating its hold on Eretz Yisrael from the Golan to Elat and from the Jordan to the sea and would also negotiate peace? A fortnight ago it seemed possible that the majority of Palestinian opinion inside and outside the occupied territories might be that to reject the U.S. and Israeli terms for participation was a greater danger for the future of the nation than accepting. This was the message from Rasmia Abu Sharif and others.

But since then the Palestinians have hardened their position — as the Israelis almost certainly hoped they would and helped them to do so by piling on the humiliation. Yasser Arafat still occasionally allows himself to be carried away by rhetoric but is generally concentrating on the point that the PLO is still in reality the only representative of the Palestinians and that in no peace negotiations in history has one side been able to dictate who should represent the other. Much of the world agrees.

Yet, as Sharmat makes clear, Israel's aim is not only to avoid making any concessions to the Palestinians but to secure peace treaties with all the Arab states along the same lines as Camp David. This was probably always a delusion but Sharmat has surely now destroyed any possibility it may have had.

All this suggests that even if the peace conference takes place it will last no longer than the 36 hours of its predecessor in December 1973. From opposite viewpoints, Israeli hawks like Ariel Sharon and doves like Moshe Bevanal think this will happen and the result will be a new surge towards a Middle East war. In effect the Israelis are demanding an unconditional surrender from the Arabs for which they are not prepared.

Perhaps the only favourable portents are not directly related to the peace conference but to the hostage question. There are two reasons for encouragement. One is that the U.N. is now taking a leading position in the negotiations and the other is that the U.S., in saying that all hostages are hostages and should be released, is at last putting real pressure on Israel. Although President Bush makes the ritual disclaimer of exerting pressure on one side or the other, he is referring to Sheikh Obeid and the others in Khiam prison.

If he used the same approach over the peace conference there would be some grounds for optimism. But it is late and the hope is slender — Middle East International, London.

ARABIC PRESS COMMENTARIES

Al Ra'i Arabic daily Tuesday expressed regret that the Europeans are condoning Washington's current attempts to tamper with the security in Europe and stir disturbances in Yugoslavia in a bid to disrupt the projected European unity in the coming year. The paper accused the United States of being behind the latest attempt by South Africa to smuggle arms to the separatist groups in the Yugoslav nation and said that Europe's foiling of this attempt served as a blow to America's plots. But the paper noted that the Europeans are keeping silent about Washington's conspiracies now that the Soviet Union has collapsed and are trying to play the role of mediator among the conflicting factions in Yugoslavia in order to maintain security and peace in Europe. Washington's tampering with security in Europe means that it is intent on creating new conflicts in the continent which had witnessed two world wars and it means also that the United States wants to impose hegemony on the European nations to forestall any threat to America's interests resulting from the expected European unity in 1992, the paper noted. It said that the European countries are obviously afraid of Washington in the wake of the collapse of the Soviet power and are showing cowardice in their reaction to the developments on their continent. But the paper said, it remains to be seen whether the Europeans would remain cowards or would rather muster their courage and confront Washington's evil plots and conspiracies with courage so as to avert disunity and a horrible future.

A columnist in Al Ra'i daily is critical of the manner in which Jordan Television covers events on the local scene. A visit by health or supply ministers to various departments under their authority is not news at all, simply because these ministers, and others in similar situations, are doing their duty and carrying out the tasks entrusted in them, said Khaled Mahadin. The writer said viewers do not wish to see ministers coming or going or carrying out their duty, but rather coverage of events of interest to the public. In case some ministers do not realise it, television coverage for trivial events like a minister visiting a department affiliated to his administration costs a fortune at a time when the Kingdom is reeling under very severe economic and financial hardships, the writer noted. He said that a few years ago the government issued strict orders prohibiting senior officials going in government vehicles to the airport to welcome back a returning minister and also banned such scenes on television. The writer wondered what ever happened to these orders. He said that important issues like unemployment on which all eyes are turned now-a-days should take precedence over other non-important affairs like inspection visits. The writer cited as an example the recent graduation of 650 trainees from vocational training centres, a move seen as an attempt to find employment to job-seekers who could take over from non-Jordanians employed in the country.

Economic Forum

Economic and social imbalances

By Dr. Abdalla Malki

DURING the last two years, Jordan's economic policy managers focused their attention on redressing what economists call "imbalances" in a way that suggested they might get obsessed by this technical term. Economic imbalances refer, in the current Jordanian context, to the notorious budget deficit, external indebtedness and the balance of payment deficit. The latter encompasses the trade and foreign exchange deficits. A balance of payment constructed for a very long period of say 15-20 years will encompass the external debt imbalance which will figure out under the heading "capital movements".

Another term, distinct from "economic imbalances" but interrelated with them, is "economic distortions" which refer to variables impairing free competition such as subsidies, price controls, protection and other market imperfections that obstruct the interplay of supply and demand forces.

Tackling imbalances is a legitimate goal of economic policies; the ideal economic condition is equilibrium. But the danger is to get that done at the expense of creating social imbalances. Because the detrimental effects of social imbalances show up visibly only in the longer run, the politicians of the day tend to disregard them so that the country ends up with a sick society and much weaker economy. For example, a combination of enduring unemployment and increasing cost of living triggered by currency

devaluation (adopted to combat the trade imbalance) as well as eroded purchasing power due to soaring taxes (decreed to curb the budget deficit) will expectedly lead to higher rates of crimes, thefts and other delinquencies and spread social unrest and resentment in a way that would weaken the social fabric and ultimately undermine social stability.

Our long standing social stability started to crumble during the first half of 1989 when the impact of the rash policy of the devaluation of the Jordan dinar and the concomitant wild jump in inflation started to work their way through our social structure. Fortunately, two major developments thereafter helped us stem social tremors which were in the making. One development was the democratisation process which swayed attention away from the economic misfortunes of middle and low-income groups, not to mention the unemployed. Before the stabilisation effects of this process waned, the Gulf crisis had erupted, again shifting attention away from economic ills and serving as a shock absorber. These two most coincidental happenings must not tempt the managers of economic policies to assume that it is safe to go on remedying our economic imbalances without giving utmost regard to their social implications.

The keyword in economics is more production. The increase in output means higher incomes and thereby more purchasing

power, more jobs, more tax revenues, more exports, more imports substitution and less imports. It also means more savings and therefore lower propensity to borrow, externally and internally, and it entails an increase in aggregate supply which normally means containing inflation. More product, in short, is the prescription that addresses all economic imbalances without any infringement on social balances.

Investment which is of course the engine of growth and thereby higher output has been markedly absent from the list of our top-priority goals. It has been overshadowed by the preoccupation in the elimination of the pre-mentioned imbalances particularly the budget deficit irrespective, first, of the related adverse effects of that on the social balance and, second, its devastating impact on the production incentives and the motivation of the private sector.

Certainly the managers of our current economic policies can try to buy more time before the social fabric cracks under the pressure of economic woes. They also can bet on more surprise developments such as a political settlement in the area. But that is not a safe road; the effects of the current economic policies on the social stability should be duly assessed and seriously considered, and right now. When social instability strikes there is no time to adjust economic strategies.

The European Community and Middle East peace

By John Palmer

AFTER years of enforced impotence languishing at the margins of international diplomatic efforts to find a negotiated solution to the Middle East crisis, the European Community now confidently expects to be a key player in the next crucial round of the peace process. With the prospects for a Middle East peace conference looking brighter than for many years, the European Community is now seen by most Arab states — though not by Israel — as playing a role second only to the United States in assuring any final settlement of the Palestine problem.

The enhanced status of the Community in Middle East diplomacy obviously has something to do with its accelerating evolution towards greater political union. Important steps have already been taken by the 12 member states in developing a common foreign and security policy. This will be taken qualitatively further when the 12 EC governments sign a treaty on political union in Maastricht at the end of this year.

Relations with Israel and Syria

The European Community has long been a major economic and commercial power — not least in the Middle East — but its political influence has lagged far behind. In large measure this has reflected differences of policy and national interest among the twelve and their limited capacity until recent years to forge a common view leading to united action. But this has been less true of the Middle East than of other

international issues. For the past decade and more the EC has pressed its view of the basis for a negotiated settlement of the Palestine-Israel issue which is fundamentally about the need for Israel to exchange land for peace. But while the Community has exercised some influence over the view Arab states in the region have taken of such a settlement, its influence over Israel has been almost non-existent.

There have been times in recent years when EC-Israeli relations have come close to breaking point. The Shamir government and its predecessors have resented the EC's regular and increasingly outspoken denunciations of Israel's settlement policy in the occupied territories, its willingness (at least until the Gulf war) to accept and even promote recognition of the PLO as the authentic voice of the Palestinian people, and its insistence on forging direct commercial and aid relationships with the Palestinians in the occupied territories.

The Dutch foreign minister and current president of the European Community Council of Ministers, Hans van den Broek, therefore surprised journalists early in July when he said that he both "hoped and expected that there will be a Middle East international peace conference held before the end of the year." The EC's hopes for such a conference were, of course, well known. What was less clear were van den Broek's grounds for optimism.

One answer seems to have been that the Dutch presidency had been given advance notice that Syria would reply positively to President George Bush's letter

on the conference. The night before President Hafez Al Assad's letter of reply to Washington, Community diplomats were confidently briefing that Syria was ready to join the peace process while U.S. officials were still much more pessimistic.

Behind the scenes, the European Community has been active in seeking to influence thinking in Damascus about the peace conference. Ever since the Gulf crisis, when Syria joined the anti-Iraq coalition, EC governments have been rebuilding political links with Damascus, breached after the Hindawi affair in 1986. Even Britain agreed to resume full diplomatic relations and withdrew its veto over a \$150 million EC loan package which was frozen in 1986 because of alleged Syrian support for terrorism. Moreover the Community agreed to include Syria in a \$2 billion five-year aid programme to cover a number of Middle East countries.

The British even went one stage further during a meeting of EC foreign ministers in The Hague during July and somewhat that the Community lift its embargo on arms sales to Syria. Although the Dutch presidency said that it had no plans to propose this at present, the very fact it was raised reflected the markedly warmer relations between the EC and the Syrian regime.

There was a second reason for van den Broek's upbeat assessment of the outlook for a negotiated settlement in the Middle East. A month earlier the Israeli government appeared to have withdrawn its objections to the

European Community's participation in the proposed Middle East conference. But Israel's insistence that the EC role in such a conference would be at a lower level than the other two sponsors, the U.S. and the USSR, is rejected out of hand by the twelve. During a visit to Brussels by Israeli Foreign Minister David Levy in June, the 12 EC countries went further than ever in offering the prospect of a privileged long-term economic and trade relationship with Israel. The idea was that the EC, which is by far Israel's largest export market, might allow the kind of access to the planned 19-nation "European Economic Area" which the non-EC countries of the European Free Trade Area have negotiated with the Community.

The catch, from Israel's point of view, is that such an agreement would depend on its agreeing to take a constructive part in the proposed peace conference. Until the end of July it was still far from clear how the Shamir government and the Israeli coalition hardliners would respond.

Optimism at last

European Community leaders now believe that almost all the obstacles to a peace conference have been removed. But they continue to insist that Israel should have no right of veto over the composition of the Palestinian delegation, which should be free to include residents of Jerusalem, since East Jerusalem is viewed as part of the occupied territories.

EC leaders contrast the growing consensus for a negotiated settlement of the Palestine-Israel

problem with the almost total lack of response when the EC first issued the Venice Declaration in 1980. The Venice Declaration recognised the rights of the Palestinians to self-determination and to be directly represented at any peace conference. Not only was this rejected out of hand by the Israeli government for years afterwards, it was also studiously ignored by successive U.S. administrations. Part of the reason for the somewhat greater optimism began expressed in Europe at present is the conviction — whether justified or not — that American patience with Israel's intransigence is running out.

EC diplomats point to the fact that U.S. Secretary of State James Baker has been readier than any of his predecessors to use harsh language to deplore the Israeli government's reluctance to agree to negotiations and to condemn Israel's settlement policies in the occupied territories. Whether or not this optimism is ultimately justified will only become clear when we see whether a peace conference actually gets under way this autumn and we can judge its results — if any. But if Israeli intransigence is seen in Europe to be the only or the main obstacle to the desired settlement of the Palestine dispute, EC-Israeli relations seem certain to become more turbulent again.

Pressure on Israel?

If the conference fails because Israel refuses to negotiate seriously with the Palestinians there is bound to be proposed for the twelve to freeze the suggested privileged trading relationship with Israel. There will also be

demands from some European states for more direct help to the Palestinians, if necessary by bypassing the Israeli authorities. Conversely, some at least of the EC governments will want to take steps to improve relations with the PLO which suffered over the Gulf crisis. For the present, however, the EC will press for acceptance of a Palestinian delegation to the conference which has the endorsement of the PLO, even if it does not formally consist of PLO representatives.

The southern EC member states, such as Italy and Spain, have already warned that Europe's interests are not served by the loss of PLO influence in the occupied territories to the Islamic fundamentalists. On the other hand, the European Community is pressing the PLO leadership hard behind the scenes to be as accommodating as possible in getting an acceptable Palestinian delegation to any international peace conference.

Should the peace process get under way, the involvement of the European Community in the Middle East region as a whole is likely to increase. Whether or not the Community becomes a guarantor of any settlement, it has already made clear its willingness to participate in the economic and social development of the region which a resolution of the political and security issues would make possible.

John Palmer, based in Brussels, is European editor of The Guardian. The article is reprinted from the London-based Middle East International.

Soviet communism may be dead, but in China it flourishes

By Andrew Browne

Reuters

PEKING — Locked into tiny "punishment cells" in Peking number two prison, China's two most prominent dissidents are entering the second week of a hunger strike, one reportedly gravely ill with hepatitis-B.

Meanwhile, China's state media on Sunday trumpeted the latest capitalist reforms that have filled the rice bowls of the world's most populous nation, with cash to spare for television sets and video recorders. Newspapers reported that future markets for grains are to be set up.

These two contrasting events illustrate dramatically the present course of Chinese socialism, and might explain why it is far too early to write an obituary for the Chinese Communist Party as its Soviet counterpart is proclaimed dead and buried after a failed coup.

Riddled with corruption and often a public laughing stock with its empty revolutionary slogans, the world's largest Communist Party has nevertheless delivered the goods.

The price has been democratic freedoms. Chinese leaders calculate it is a price their citizens are prepared to pay, and they may not be unduly worried by the collapse of Soviet communism.

Chen Ziming, 39, and Wang Juntao, 33, the alleged "black hands" behind pro-democracy protests in 1989, began their hunger strike last week to protest against prison conditions.

Their crime was to challenge Communist Party supremacy — by "counter-revolutionary rebellion." After seeing their movement crushed by tanks, each was jailed for 13 years.

Because family and friends defy the party and speak out on their behalf, Mr. Chen and Mr. Wang are known in the West.

Hundreds of other faceless dissidents languish in jails across the country. Western human rights groups say.

In crushing the democratic movement, China's leaders were following an ancient Chinese maxim: "Kill a chicken to scare the monkeys." They have succeeded.

It is not fear alone that sustains Chinese communism.

Peking residents may grumble about poor housing, curse the government for raising food prices and fret about inflation, but they are not hungry. In this late summer, food stalls in the capital's private markets are laden with ripe peaches and melons, fresh vegetables and lean pork.

Diplomats say the demise of the Soviet party will only convince China's communists they were right decisively to crush political dissent while loosening economic controls.

China's Communist Party, unlike its Soviet counterpart, extends control through the military and state institutions right down to the residential alleyways, diplomats say. It is a far more potent force, they say.

Peking citizens need no reminder of the cost of political and economic chaos in the Soviet Union.

Hawkins in "silk alley" display racks of shirts to Soviet and Eastern European buyers who shuffle between the stalls in tatty shoes haggling for hours over loose change.

China's party is not only surviving, it is flourishing. The People's Daily said in May that 2.4 million people had joined since 1989, when the pro-democracy movement was smashed. Total membership is about 50 million.

It may not be revolutionary ideals that attract converts; individuals in the party benefit more

than most from economic reforms. Sons and daughters of high-level cadres resemble Wall Street yuppies, heading investment houses and trading firms. The party has all but abandoned vast coastal swathes to capitalism. While crowds took to Moscow streets last week to defend democracy, thousands of Shanghai residents blocked roads to queue to buy shares in the first public offering by a property company.

Hardliners who have tightened their grip on power since 1989 are forced to accept reality. It is the coastal provinces that provide the engine of growth for the economy, and it is a thriving economy that keeps them in power. Communist leaders have become the unwilling proponents of capitalist reform, and might even be forced to accelerate the pace as state industry collapses.

For Peking, more worrying than the collapse of Soviet communism is possible break-up of the Soviet Federation. The prospect of unrest along China's long land border with the Soviet Union, straddled by ethnic minorities, strikes fear into the leadership, diplomats say.

Diplomats say Peking's second major anxiety will be international isolation under a new world order dominated by the United States. Chinese communist leaders see U.S. plots all around them to bring down their socialism system.

Reflecting these concerns, party Chairman Jiang Zemin on Saturday lashed out at foreign countries seeking to spread their ideology.

"The system or lifestyle practised in a country is the business of the people of that country themselves, and no foreign nation should intervene," Mr. Jiang said. "No country should impose its type of ideology on others."

Gulf Arab states unlikely to set up new security force

By Marian Isa

Reuters

MANAMA, Bahrain — Gulf Arab states are unlikely to scrap proposals for a 100,000-strong joint security force in favour of reliance on their own armies and bilateral agreements with foreign powers, Gulf based diplomats say.

Governments of the six-nation Gulf Cooperation Council (GCC), grappling with the logistics of a defence plan for the oil-rich area, would decide to increase the size of their individual armies, the diplomats said.

But an Omani proposal for an independent force presented to military chiefs of staff in Muscat last week was unlikely to get off the ground because of lack of manpower, funds and problems in resolving its command structure, they said.

"No one is viewing the idea as practical — there are too many difficulties — where are the men going to come from, who will pay for the force and who will command it," said a senior Western diplomat in region.

"As last year's events recede from people's memory, the GCC will become less and less inclined to set up a new security structure. But there will be an increase in the national forces of individual states," he added.

Diplomats said GCC states — Kuwait, Saudi Arabia, Bahrain, Qatar, the United Arab Emirates and Oman — believed they could do little by themselves to counter a resurgent threat from neighbours Iraq or Iran.

Impressed with the success of operation Desert Storm, most of the sparsely populated GCC states were content to rely on bilateral agreements with foreign powers — mainly the United

States — if a similar crisis cropped up again, they said.

This would not include permanent bases for ground troops but terms under which Washington would store weapons and carry out joint naval and air exercises in the area, the diplomats said.

Kuwait, the only Gulf state clamouring for U.S. ground troops and bases, said this week it was about to sign such an agreement. Diplomats said Bahrain and Saudi Arabia were engaged in similar talks with Washington.

But some diplomats said talks between Washington and Saudi Arabia on storage of U.S. weapons had hit snags because of Saudi concern over objections from Muslim conservatives.

"The Saudis were in favour of the idea just after the war but are having second thoughts — if material is pre-positioned, who will control it?" one Riyadh-based diplomat said.

Plans by Washington to set up a command and control centre in Bahrain or the UAE have also so far failed to materialise. There are still 38,000 U.S. servicemen in the area, including 4,900 from the air force and 16,000 from the navy.

Diplomats said U.S. ships — which have maintained a Gulf presence for more than four decades — and some air force personnel were likely to remain in the Gulf for the foreseeable future.

GCC states and their two main Arab allies, Egypt and Syria, last month shelved plans for a 26,000-man army of Egyptians and Syrians which was to have been financed with GCC money.

Disputes arose over the size, cost and make-up of the force but Gulf diplomats said the main snag was the reluctance of conservative Gulf rulers to have Egyptian

and Syrian soldiers based permanently in their countries.

GCC foreign ministers meeting in Kuwait acknowledged instead that individual states could seek military help from allies as needed — a formula agreed at a GCC summit in Doha last December — the diplomats said.

During the summit — held in the run-up to the war to force Iraq out of Kuwait — GCC leaders asked Oman's Sultan Qaboos to draw up a joint defence plan, the diplomats said.

His committee, which included ministers from other GCC states, proposed the creation of a 100,000 man force drawn from each of the six countries. The force would have been in addition to existing GCC armies, replacing the 10,000-strong joint Peninsula Shield force based at Hafr Al Baten in Saudi Arabia.

No decision was taken at last week's meeting in Muscat and GCC chiefs of staff would meet again in October to discuss the plan, ahead of the next GCC summit scheduled to take place in Kuwait in December, the diplomats said.

"The idea is not going to fly — no-one wants to put their forces under someone else's command," one diplomat said.

"It's more likely they will decide to increase capability of individual military forces and help each other in time of crisis — they might also decide to enlarge the existing Peninsula Shield force," he said.

Gulf-based officials say the Peninsula Shield, grouping each GCC unit under national command, did not act when Iraqi troops massed at the Kuwaiti border last summer because the emirate did not ask for their help.

Fearing an escalation of tension, Kuwait simply brought its brigade in the force home.

Connors crafts another miracle at U.S. Open

NEW YORK (R) — Jimmy Connors celebrated his 39th birthday at the U.S. Open Monday by winning a grueling marathon that ended in a classic, tension-filled, fifth-set tiebreak with Aaron Krickstein.

"This is what I live for, to win a match like this, 7-6 in the fifth," said Connors after reaching the quarterfinals with a 3-6 7-6 1-6 6-3 7-6 victory in four hours 41 minutes.

"It's another Connors miracle right here. I couldn't have done anything better than I did." The five-time champion said after completing the longest match of the tournament by blasting a backhand crosscourt volley winner to take the final tiebreak 7-4.

Several times during the match it seemed that Connors had run out of miracles, but each time he dug down and produced a little more magic to the delight of 20,000 adoring fans who came out to see him play on his birthday at the Louis Armstrong Stadium.

Krickstein, a steady baseline player, never showed signs of cracking as the tension mounted but acknowledged that it was difficult to play with thousands of people rooting for your opponent and cheering your every mistake.

"It was a lot like a Davis Cup match when everybody is cheering against you," said Krickstein,

who had upset eighth seed Andre Agassi in the first round. "But I understand it. Jimmy's a legend."

In his 17th U.S. Open quarterfinal, Connors will play unseeded Dutchman Paul Haarhuis, who beat top seed Boris Becker.

Haarhuis reached his first career Grand Slam quarterfinal by beating German Carl-Uwe Steeb 6-2, 6-3, 6-4.

To the opening stadium court match of the day, sixth-seeded defending champion Pete Sampras overcame a sluggish start to oust fellow-American David Wheaton, the 11th seed, 3-6 6-2 6-2 6-4.

Sampras's only 1990 semi-finalist remaining in the draw following the early upsets of Andre Agassi, Boris Becker and John McEnroe, will play French Open champion Jim Courier.

Courier, the fourth seed, eliminated 14th-seeded Spaniard Emilio Sanchez by taking a 6-4 6-4 6-3 victory in their fourth-round match.

The Sanchez family is still represented at the open by Emilio's younger brother Javier, slated to play second seed Stefan Edberg, who joined in the quarterfinals Monday by sister Arantxa.

Sanchez Vicarin, the fourth-seeded former French Open champion, won her berth in the last eight of the women's draw by

beating Soviet Natalia Zvereva 6-3 7-6.

The Spaniard will next play four-time champion Martina Navratilova, a 7-6 1-6 6-2 winner over Manuela Maleeva-Fragniere of Switzerland.

Top-seeded Steffi Graf and Spain's Conchita Martinez set up another quarterfinal clash. Graf beat Austrian Judith Wiesner 7-5 6-4, and Martinez ousted 12th-seeded American Zina Garrison 6-4 6-4.

Connors often looked as if his 39-year-old legs would betray him, but his unrivaled desire always kept him in the battle.

After taking the dramatic second set tiebreak 10-8, the former world number one had to have his knee iced down.

But when he held serve at love to level the fifth set at 2-2, he walked over to the court-side television camera and said: "I feel better than I look. Don't worry, I'm okay."

It was at 7-7 in the second set tiebreak that the chair umpire overruled a line call, giving Krickstein set point instead of Connors and he went into a furious frenzy.

He charged the chair, called the umpire a "soo of a bitch" and shouted: "I'm playing my butt off at 39 years old and you're doing that? You can't see a ball right in

front of you much less over there."

Naturally the tirade got Connors and the crowd pumped up and he won the next points to take the set.

"He can look really tired, but you know he'll be right back going after the next ball," said Krickstein, who has never beaten Connors in six encounters.

Connors, who began the tournament by coming back from two sets down to beat Patrick McEnroe, appeared to have lost much of his mobility in the third set.

But in the fourth and fifth sets he again began fighting his way to the net in an effort to shorten points against the 24-year-old Krickstein, who only left the baseline when absolutely forced to.

Krickstein showed great poise under pressure as he fought off 19 of 24 break points against his serve. But one break by Connors in the sixth game of the fourth set sent the match into a fifth.

Krickstein came up with the first break of the final set for 4-2 and held serve in the tense seventh game on his seventh game point after eight deuces and three break points for Connors.

But Connors would not be denied. Two games later he put the set

back on serve by converting his fourth break point of the game. When he held serve for 5-5 the crowd gave him a rousing standing ovation.

"I'm disappointed to lose, but I'm happy for Jimmy," Krickstein said. "He's such a great competitor. You know he's never going to give up."

As the exhausted, but victorious Connors dragged himself out of the stadium, he was met with a chorus of "happy birthday."

One of the three doctors who treated Connors after his nearly five-hour match in the U.S. Open described his performance as a miracle.

"I really think it was quite miraculous," said Dr. Gary I. Wadler, an internist and specialist in sports medicine. "I challenge anybody to match the effort he just made at his age. I was in awe of his physical capacity. That's a horrendous effort for a 39-year-old to go through. It was an absolutely incredible performance."



Jimmy Connors

ler said. "I was extremely moved. It was a profound experience. I've never seen him that way and I've been here since 1980."

"Connors, worried about cramping, never sat or lay down. He received two liters of rehydration fluid intravenously while walking slowly around the transfer room and pushing the pole that held the bottles. The process took about an hour and a half."

HOROSCOPE

FORECAST FOR WEDNESDAY SEPTEMBER 4, 1991

By Thomas S. Pierson, Astrologer, Carroll Wright Foundation

GENERAL TENDENCIES: You have had your fill of limiting and restricting conditions and are eager to lurch ahead with some new detailed plan of action that can awaken enthusiasm in potential partners.

ARIES: (March 21 to April 19) You can get that specialist in a field that interests you very much to release to you the information that can help you very much in the days ahead.

TAURUS: (April 20 to May 20) You have some friends and acquaintances who are most anxious to see more of you or to know you better so make yourself available as much as possible.

GEMINI: (May 21 to June 21) Look to those interesting personalities who have the power to give you a boost where it means the most to you and show you are devoted to civic causes.

MOON CHILDREN: (June 22 to July 21) Whatever you think can be the means by which to expand and extend your horizons is excellent so get busy and do so.

LEO: (July 22 to August 21) Whatever you would like to do that does require you to attend to obligations and responsibilities is excellent so draw up a list of these and do them.

VIRGO: (August 22 to September 22) You are now able to show you are the one who does value and appreciate associates whom you regard as partners with whom you want more harmonious accord.

LIBRA: (September 23 to October 22) Whatever takes place as you work now can be especially helpful to you sometime in case if you stick to the job at hand and get it behind you.

SCORPIO: (October 23 to November 21) Your interest in the lighter side of life is fine so get off with your most fascinating pals and have a good time at recreations that please very much.

SAGITTARIUS: (November 22 to December 21) Whatever you have in mind that does require getting the approval of your own family is very important and should be treated as such now.

CAPRICORN: (December 22 to January 20) Get at those routine professional and business appointments and shop for the accessories and articles that can make everything better for you.

AQUARIUS: (January 21 to February 19) You like to do for others but this is one day for you to concentrate upon having a greater abundance in spare for your own bank account.

PISCES: (February 20 to March 20) You find that whatever you would like to do is more easily done because you have social savoirs faire to impress social contacts with your good judgment.

Birth Stone for August: Tourmaline.

World Resources: Deans & Co. Inc. Jewelers: Conn. Amman: Rio De Janeiro Amman: Nova Hotel: 6th floor.

THE BETTER HALF By Barnes



"I'm here for the very same reason you're here — MONEY!"

JUMBLE THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

BUGOH

YELCC

NAPOWE

TOGIER

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: IN "O O O O O O O O" (Answers tomorrow)

Yesterday's Jumbles: SNARL BASIC KENNEL SOCIAL Answer: The feeling you get every month when the payment falls due—"CAR SICKNESS"

THE Daily Crossword by Louis Sablin



Yesterday's Puzzle Answer:

1. Lost Horizon
2. director
3. Highway attraction
4. Glasgow cap
5. Fr. author (with 14)
6. Rect
7. Eggs
8. Olympic long-jump champ
9. See 14A
10. Marriage-minded runaway
11. Moundman Nolan
12. Mail address
13. Canary's fan
14. Heineken
15. Kinsmen: abbr.
16. Gen. of a div.
17. Head skyward
18. Wise ones
19. Practical joker
20. "Sweet potato"
21. Musical quality
22. Compact
23. Plot measure
24. Skitt edge
25. Amended copy
26. Scouse
27. Orzo
28. One-time US agency
29. Aine general
30. Most insignificant
31. Burmese premier
32. A US golf champ from WY?
33. Ms Farrow
34. Do... (all-out)
35. Make tracks
36. Critique
37. Attitudinized
38. Rubber base
39. Fire remnant
40. New-home design
41. Delays
42. Consumed
43. Heb. tyre
44. Howard or Kasey
45. Singer from FL
46. Of birds
47. "Exodus" food
48. Dew sap from
49. Grass in Leeds
50. Heavy wear
51. Serenity
52. Actress from Puerto Rico?
53. Booming
54. Desert wind
55. Vacation venue
56. Jealous
57. Small cases
58. Army units: abbr.
59. Concerning
60. Scot. negative
61. Sleuth Chan
62. Assorted: abbr.
63. Logger's nickname
64. Old Aegean region
65. Scores in pinch
66. In any way whatsoever
67. Artist John
68. 19
69. Year capsule
70. Opportune
71. Gaudy name
72. "Oedipus"

SPORTS NEWS IN BRIEF

Krabbe to avoid Ottey

COLOGNE (R) — Germany's double world sprint champion Katrin Krabbe plans to avoid Jamaican rival Merlene Ottey for the rest of the season in a bid to gain a mental advantage before next year's Barcelona Olympics. "It is better that way psychologically," Krabbe's coach Thomas Springstein said Tuesday. "It's better that Merlene goes into her pre-Olympic winter training feeling a bit rattled." Krabbe, who handed Ottey her first individual defeat since 1989 in the 100 and 200 metres at last week's World Championships, and the Jamaican will both be competing in Sunday's Cologne Grand Prix meeting. But the former East German is expected to race the 100 metres while Ottey will run the 200. Krabbe, who equalled East German Marita Koch's record haul of four medals in Japan, plans to compete on home soil again at the Berlin Grand Prix two days later.

Kenya's will not run in S. Africa

NAIROBI (R) — Kenya's world beating distance runners will not compete in South Africa next month, senior sports officials said Tuesday. "It is too early to go to South Africa. We can afford to wait a little longer for the complete dismantling of apartheid," said Robert Ouko, administrative secretary of the Kenya National Sports Council. International Amateur Athletic Federation (IAAF) President Primo Nebiolo said in Tokyo last week the IAAF council and African athletics leaders had agreed to stage two track and field meetings featuring South African athletes after this month's All Africa Games in Egypt. The events, the African Unity Games, are to be held in Dakar, Senegal, and Johannesburg, Nebiolo said. The Johannesburg meeting will have an Olympic programme except for the marathon and the combined events.

Brazil recalls World Cup players

RIO DE JANEIRO (R) — Brazil recalled World Cup players Romario, Careca, Mozer, Ricardo Gomes and Jorginho for their friendly international against Wales in Cardiff next week. Caretaker coach Ernesto Paulo also called up striker Bebeto, who walked out on the Brazil squad on the eve of the South American Championship in June. Paulo said he intended to field Careca, Romario and Bebeto in attack. Most of the players who represented Brazil in the last World Cup have been ignored since because they were thought by the Brazilian press and the Brazilian Football Confederation (CBF) to have let the country down in the competition. Brazil were knocked out in the second round by Argentina after scoring just four goals in four games.

GOREN BRIDGE

WITH OMAR SHARIF & JANEAN HUSCH
©1991 Tribune Media Services, Inc.

ANSWERS TO WEEKLY BRIDGE QUIZ

Q.1—Both vulnerable, as South you hold:
♠ J9 VJ852 ♠ AK1093 ♠ Void
The bidding has proceeded:
South West North East
1 ♠ Pass 1 ♠ Pass
2 ♠ Pass 2 ♠ Pass

What action do you take?
A.—Partner's spade rebid is not forward-going. It simply shows at least a six-card suit, not much in the way of high cards and no liking for either red suit. Under the circumstances, we would throw in the towel. We think a raise to three spades would be a bit of a stretch, especially since the enemy may thwart club ruffs in our hand.

Q.2—Both vulnerable, as South you hold:
♠ QJ5 V105 OAKS ♠ Q10973
The bidding has proceeded:
South West North East
1 ♠ Pass 1 ♠ Pass
2 ♠ Pass 2 ♠ Pass

What do you bid now?
A.—We have stated many times, and do so once again: Include us out of those who insist on having four-card support to raise responder's major suit. Here, one no trump is out of the question with a weak doubleton in hearts and to rebid a shabby five-card club suit is naive. Bid two spades.

Q.3—As South, vulnerable, you hold:
♠ K6 V1054 O852 ♠ A8764
The bidding has proceeded:
North East South West
1 ♠ Pass 1 NT Pass
3 ♠ Pass ?

What do you bid now?
A.—An awkward hand. You can't raise partner's second suit with only three-card support, or bid no trump with an unstoppered ♠. For the mo-

ment, you are forced to take a false preference to partner's first suit and wait for his next bid to clarify his holding. Bid three spades.

Q.4—Both vulnerable, as South you hold:
♠ QJ106 OAT6 ♠ AQJ85
The bidding has proceeded:
North East South West
1 ♠ Pass 2 ♠ Pass
2 ♠ Pass ?

What do you bid now?
A.—Your hand has grown enormously, and no heart raise now will do it justice. The winning action is an advance cue-bid of three diamonds. When you later support hearts vigorously, partner will have a clear picture of your distribution, strength and ambition.

Q.5—Neither vulnerable, as South you hold:
♠ QKQ10763 OJ865 ♠ 45
What is your opening bid?
A.—You have six playing tricks in hearts and one in diamonds, the side four-card suit. Applying the Rule of Two and Three, at this vulnerability your seven playing tricks rate an opening preempt of four hearts.

Q.6—As South, vulnerable, you hold:
♠ K64 VQ104 OJ6 ♠ K543
Partner opens the bidding with one spade. What do you respond?
A.—Even if you play five-card majors and forcing jump raises, you should not jump raise partner's suit without four-card support if there is any other choice available. Another pitfall to avoid is responding in a major at the two-level unless it's at least a five-card suit. Therefore, you should respond two clubs, even though the suit quality is nothing to be proud of.

Olympics likely to benefit from World Championships

TOKYO (AP) — Track and field, the blue ribbon sport of the Olympic Games, was becoming black and blue, the result of some big-name athletes getting caught using drugs and a stagnation on world records.

The 3rd World Championships may have ended the battering and turned the sport back into the black.

Basketball, with NBA stars making their first appearance in the Olympics next year, was threatening to overtake track as the games' premier sport.

The eight-day World Championships, which ended Sunday, produced three world records in three of the glamor events, a tremendous boost heading into next year's Barcelona Olympics.

The meet also showed a rejuvenated U.S. team — the complete opposite of the second-string team that had performed so poorly in last month's Pan American Games at Havana, winning its fewest gold medals ever.

Can the United States carry its momentum from the World Championships into next year's Olympics?

And will it benefit from the likely breakup of the usually powerful Soviet team?

In both cases, the answer probably is yes.

The Americans, who set all three world records, all in events in which Carl Lewis was involved, won the gold medals race to the championships with 10, one more than the so-called depleted Soviet team.

Although the Soviets led in overall medals, 28 to 26, the

United States showed surprising strength in events in which it had been declining in recent years.

For example, the Americans got two medals in the men's high jump — a gold by Charles Austin and a bronze by Hollis Conway — for the first time in a major championship since 1968, when Dick Fosbury and Ed Caruthers finished 1-2 in the Mexico City Olympics.

They got a medal in the men's marathon — a bronze by Steve Spence — for the first time since 1972 Olympic champion Frank Shorter collected a silver in the 1976 games.

And they won the decathlon — with Dan O'Brien setting an American record of 8,812 points, the third-highest total ever — for the first time in a major championship since 1966, when Bruce Jenner set the U.S. record of 8,634 at the Montreal Olympics.

As usual, the U.S. men dominated the sprints, the jumps and the high hurdles, had surprising difficulty in the intermediate hurdles, and encountered their customary problems in the throwing events.

Overall, the men finished with nine gold medals — Kenya was second with four — and 20 medals, 10 more than the second-place Soviet Union.

The U.S. women, meanwhile, continued their string of mediocre medal performances, earning only one gold — by Jackie Joyner-Kersey in the long jump — and six medals.

But the women were encouraged by placing 26 athletes in finals. If not for an injury to Joyner-Kersey during the hept-

athlon and some sloppy baton passing in the relays, they might have won some more golds.

The Soviets led the women's competition in golds with six and in total medals with 18, with Germany second with four golds and 12 medals.

The Soviets, however, most likely will field a far different team at the Barcelona Olympics than appeared at the championships because of the political turmoil enveloping the country. Three Baltic republics — Latvia, Lithuania and Estonia — already have asked for independence, and others are expected to follow.

World pole vault record-holder Sergei Bubka, a Ukrainian, said he was determined to compete at the games "no matter under which flag."

For the first time at the Olympics, Germany will be competing under one flag, following the reunification of east and west Germany last year.

The World Championships were their first major meet under the same flag, and the tension and pressure created by unification were evident as the Germans' performances were superb.

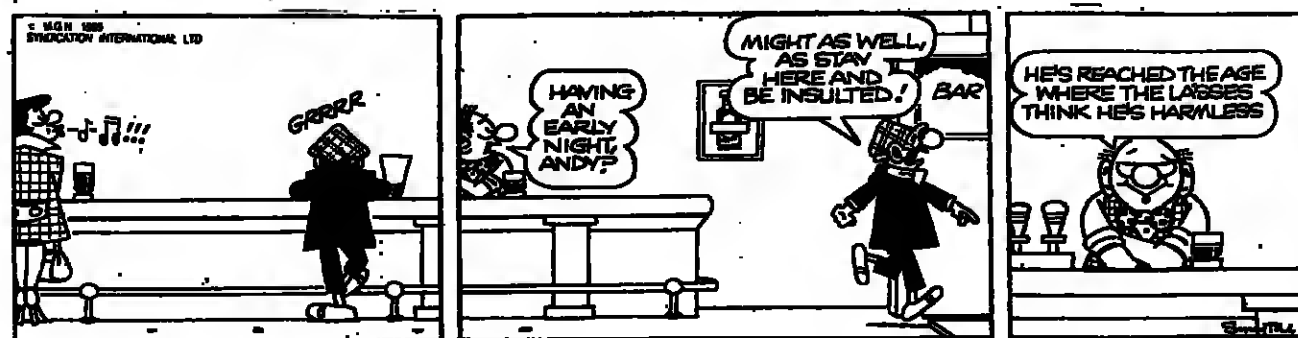
Lewis unquestionably was the star, though he was outdistanced by countryman Mike Powell in the long jump. Powell obliterated Bob Beamon's esteemed world record of 29 feet, 2 1/2 inches (8.90 metres), set in the high altitude of Mexico City at the 1968 Olympics, with a historic leap of 29-4 1/2 (8.95 metres).

Lewis also led a 1-2-3 U.S. sweep in the 100 metres with a

Peanuts



Andy Capp



Mutt'n'Jeff



Financial Markets

In co-operation with
Cairo Amman Bank

U.S. Dollar in International Markets

Currency	EUROPE CLOSE Date 2/9/91	TOKYO CLOSE Date 3/9/91
Sterling Pound	1.6755	1.69915
Deutsche Mark	1.7530	1.7395
Swiss Franc	1.5305	1.5250
French Franc	5.9450	5.9105*
Japanese Yen	136.95	136.40
European Currency Unit	1.1761**	1.1807

* 100 Per STG

** European Opening @ 8:00 a.m. GMT

European Currency Unit

Currency	1 MTH	3 MTHS	6 MTHS	12 MTHS
U.S. Dollar	5.68	5.62	5.75	5.93
Sterling Pound	10.81	10.68	10.50	10.56
Deutsche Mark	9.06	9.12	9.31	9.31
Swiss Franc	7.87	7.93	7.81	7.75
French Franc	9.12	9.12	9.37	9.37
Japanese Yen	7.53	7.21	6.93	6.75
European Currency Unit	9.68	9.68	9.87	9.87

Interbank bid rates for amounts exceeding U.S. Dollars 1,000,000 or equivalent.

Metal	USD/Oz	JD/Gm	Metal	USD/Oz	JD/Gm
Gold	348.60	6.80	Silver	3.86	.090

* 100 Per STG

** European Opening @ 8:00 a.m. GMT

European Currency Unit

Currency	Bid	Offer
U.S. Dollar	.690	.692
Sterling Pound	1.1642	1.1700
Deutsche Mark	.3958	.3978
Swiss Franc	.4908	.4931
French Franc	.1165	.1171
Japanese Yen	.5043	.5068
Dutch Guilder	.3514	.3532
Swedish Krona	.1091	.1096
Italian Lira	.0530	.0533
Belgian Franc	.01923	.01933

* Per 100

Currency	Bid	Offer
Bahraini Dinar	1.7850	1.7900
Lebanese Lira	.0770	.0780
Saudi Riyal	.1835	.1842
Kuwaiti Dinar	.1865	.1880
Qatari Riyal	.2100	.2300
Egyptian Pound	1.7450	1.7600
Omani Riyal	.1865	.1880
UAE Dirham	.3400	.3500
Greek Drachma	1.4300	1.4400
Cypriot Pound	1.4300	1.4400

* Per 100

Index	1/9/91	Close	2/9/91	Close
All-Share	106.84		107.55	
Banking Sector	99.93		100.94	
Insurance Sector	117.35		117.32	
Industry Sector	113.64		114.05	
Services Sector	129.71		129.49	

December 31, 1990 - 100

LONDON EXCHANGE RATES

LONDON (R) — Following are the buying and selling rates for leading world currencies and gold against the dollar at midsession on the London foreign exchange and bullion markets Tuesday.

One Sterling	1.6900/10	U.S. dollar	1.1400/05
One U.S. dollar	1.7400/10	Canadian dollar	1.9600/10
	1.5270/75	Deutsche marks	35.75/80
	5.9050/9100	Dutch guilders	1298/1299
	1298/1299	Swiss francs	136.45/55
	6.3150/3200	Belgian francs	6.7120/70
	6.7950/8000	French francs	6.7120/70
	6.7120/70	Italian lire	348.90/349.40
One ounce of gold	348.90/349.40	Japanese yen	
		Swedish crowns	
		Norwegian crowns	
		Danish crowns	
		U.S. dollars	

Latvia targets tourism to attract foreign investment

RIGA, Latvia (R) — Latvia said Monday it would offer tax-breaks to attract foreign investment in tourism and other key industries. "The first target area for foreign investment is tourism," Arijis Ziverts, deputy director of Latvia's Foreign Trade Department, said.

The Baltic republic's overriding goal is to manage a smooth transition to a market economy and recreate Latvia as a separate economic unit, according to Economics Minister Janis Abolins. Latvia, sandwiched between Lithuania and Estonia, has a tradition of tourism from the period between the two world wars, before the Baltic republics were incorporated into the Soviet Union. Health spas along the Bay of Riga were especially popular with Scandinavian visitors.

Tens of countries have recognized the Baltic republics as independent and Soviet President Mikhail Gorbachev has said he will not block independence if their peoples want it.

New foreign investment rules are laid out in a Latvian government bill which parliament is expected to pass this year.

New businesses in Latvia are exempt from a profits tax for the first two years and those started with foreign capital will escape tax for two more years.

Additional exemptions will be granted, based on the amount of capital invested, and there will be no restrictions on the repatriation of hard-currency profits.

In addition to tourism, industries targeted for foreign investment include forestry and pulp, pharmaceuticals, bio-technology, electronics, farming and assembly operations.

"By the end of September we will have details of the conditions for investment which we want to encourage," Mr. Ziverts told reporters.

Denmark signed an accord with Latvia on double taxation last week and pledged to help the republic develop a banking and monetary system and harmonize its taxes and duties with the European Community (EC).

Danish Economics Minister Anders Fogh Rasmussen said his country would support Latvian membership of financial institutions such as the International Monetary Fund (IMF).

Germany's new ambassador, Hagen Graf Lambsdorff, said Monday Bonn would support associate EC membership for the Baltic states.

Latvia appears well placed to meet its economic as well as political goals, Western diplomats in Riga said.

In the centralized Soviet economy, Latvia had a positive trade balance with other Soviet republics, importing raw materials and intermediate goods while exporting high-value finished products.

Exports, some of them solid hard currency earners, included electric railway wagons, vans, radios, diesel engines, motorcycles, telephone exchanges and building material.

Weak U.S. economic recovery weighs on consumer confidence

WASHINGTON (R) — Recent government and private economic reports suggest the United States is recovering from recession, but at a slow and uneven pace that weighs on consumer confidence.

Economists say the stuttering recovery may force the Federal Reserve, the country's central bank, to throw out a lifeline by reducing interest rates to give the economy a boost.

"Overall the data are pointing to recovery," said David Berson, chief economist with the Federal National Mortgage Association.

"But (it is) an unusual recovery in that it will be far more modest than anything we have seen in the post-war period," he pointed out.

Whether the central bank cuts rates would depend largely on the next set of economic data, economists say, particularly unemployment statistics for August due Friday.

Unemployment stood at a relatively high 6.8 per cent of the workforce in July. Economists expect unemployment to rise to 6.9 per cent in August, while the

nation's non-farm payroll grows by 27,000 jobs after shrinking by 51,000 in July.

Economists expect the Federal Reserve to cut the discount rate it charges on loans to banks by half a percentage point to five per cent. They also expect it to lower the federal funds rate that banks charge each other for loans by a quarter of a percentage point to 5.25 per cent.

Lower interest rates is cheaper for businesses to borrow the money they need for expansion, thus boosting growth.

Some economists fear recession might return to the economy after a brief period of improvement unless unemployed workers find new jobs and those with jobs begin to feel more optimistic about the future.

Victor Zarnowitz, a professor of economics at the University of Chicago, said employment and personal income have to improve if consumer confidence is to recover.

Consumer spending, which depends on confidence, is the main engine of the U.S. economy.

Algeria seeks IMF help to cope with financial crisis

ALGIERS (Agencies) — Algeria has sent a delegation to the International Monetary Fund (IMF) to save a loan threatened by a row between the government and National Assembly over subsidies.

An IMF standby credit of \$400 million awarded on June 3 is in danger because Algeria has been unable to carry out it in full a readjustment accord with the IMF for the credit, payable over five years starting this month.

The accord stipulated that state subsidies would be slashed, the dinar would be allowed to slide to a more "realistic level," money supply would be restricted and interest rates revised.

But the government had to drop plans to slash subsidies when the National Assembly rejected a proposal to raise prices of basic commodities. Other IMF conditions have been met.

Economy Minister Hocine Benissad said the assembly vote "left us with a deficit of 35 billion dinars (\$1.9 billion) by telling us not to touch prices and to do our best with the IMF, as it was an easy thing to do."

The ministry of economy said the delegation, composed of experts from the National Planning Council and central bank, who left for Washington Monday, would reaffirm the government's determination to respect the IMF accord.

The National Liberation Front (FLN) which dominates the

assembly, is reluctant to raise prices before the first multi-party elections expected at the end of this year.

The FLN ruled Algeria from independence in 1961 until this year when an independent caretaker government took over to organize the elections in which the FLN will compete with more than 40 other parties formed since political reforms were introduced by President Chadli Benjedid.

The FLN's critics say it is more concerned with vote-catching than with economic realities, dominated by Algeria's \$25 billion debt, much of it short term.

The government had proposed to deregulate most industrial prices and 75 per cent of consumer prices that figure in the official cost of living index.

Central bank governor Abdelbasset Hadji Nacer told the assembly that Japan, which holds 60 per cent of Algeria's debt, had insisted that Algeria sign an accord with the IMF.

Failure to reach an agreement with the IMF would have repercussions on Algeria's creditworthiness with foreign private banks and the European Community, which is contemplating a credit of 500 million ECUs (\$427 million).

The French bank Credit Lyonnais is to call a meeting this month of seven major international banks, three of them Japanese, to raise a syndicated loan of \$1 billion requested by the

Algerian bank Credit Populaire d'Algerie.

Prime Minister Sid Ahmed Ghozali has said several times that Algeria needs between \$6 and \$7 billion this year to overcome a financial crisis and service its debt.

Servicing this year alone will cost \$8.5 billion, of which \$2 billion is interest.

Meanwhile, the Middle East Economic Survey (MEES) reported Monday that the Algerian government is trying to ease its economic burdens by pushing a new oil policy that promotes foreign investment through production sharing and joint venture deals.

The respected weekly newsletter said the investment envisaged by the government would not be limited to exploration but would also include development of existing fields.

MEES' Editor Ian Seymour, reporting from Algiers after interviews with Mr. Ghozali and Energy Minister Nordine Ait-Laoussine, said bids will shortly be invited from international companies for participation in ventures to improve recoverability in existing producing oilfields.

Companies will be required to supply investment and up-to-date technology to boost recovery, which at present is only 25 per cent, in return for a share of the incremental output.

Mr. Seymour said Algeria's remaining recoverable oil reserves

are estimated at about 5.5 billion barrels, but the energy minister told him that recovery of an additional 3.5 billion barrels is "technically and economically feasible."

Some of the companies which invest in recovery improvement projects, MEES said, will also be given the option to buy into the existing output of the oilfield in question, extending the venture to the whole field and not just the additional volume through enhanced recovery.

Such deals, Mr. Seymour noted, "would require extra cash payments in advance which the government sees as a handy means of helping to alleviate the debt problem."

"On the financial and economic front, we are facing a serious problem, which has been dogging Algeria for the past six or seven years but which cannot go any further because we have reached the maximum limits of the negative effects of this situation—the piling of debt upon debt," Mr. Ghozali told MEES.

He said there is a financial gap of about \$2.5 billion which his government needs to cover by the end of the year.

Implementation of the government's plans for bringing in foreign companies would require an amendment to the 1986 hydrocarbons law which prohibits such ventures, MEES noted.

Soviets said offering space services, hardware for sale

NEW YORK (R) — With the Soviet Union in political turmoil, Soviet space officials are offering the West services and hardware, even the station Mir now circling the earth, to get cash to keep the programme alive, the New York Times reported Tuesday.

The anxiety of these officials has been aggravated by a decline in the economy and by Russian President Boris Yeltsin's position that it was wrong to spend vast sums on space exploration when Soviet living conditions are so poor, the newspaper said.

The U.S. government has ignored Soviet sales offers in the past, with minor exceptions, preferring to spend its space dollars at home, the New York Times said.

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- Arab music instruments (oud, qanoun, na)
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- Voice
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CORRECTION

The ad run in the Tuesday, Sept 3 Issue of the Jordan Times under the heading "SECRETARY WANTED FOR UNISP COMPANY" gave a wrong telephone number. The correct numbers are: 812988-812977

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Pls. call tel.: 646159

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Two bedrooms at Um Utheina with garden.

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Cinema Tel: 677420

CONCORD

SQUEEZE

Show: 5:00, 6:45, 8:30, 10:30 p.m.

BODY ROCK

Show: 3:30 p.m.

Cinema Tel: 675571

NUJUM

To Be Opened Soon
Nabil Mashini
Theatre

Show: 12:30, 3:30, 8:30, 10:30 p.m.

Cinema Tel: 634144

PHILADELPHIA

SKYHIGH

Show: 12:30, 3:30, 6:15, 8:30, 10:30 p.m.

Cinema Tel: 625155

RAINBOW

Lalla Elwi, Ahmad Budeir
Mamdouh Abdul Allm
In

HUSH
(Arabic)

Show: 3:30, 6:30, 8:30 p.m.

Yugoslav fighting goes on as EC meets on peace plan

BELGRADE (R) — Croatian security forces and the federal army accused each other of violating Yugoslavia's latest ceasefire Tuesday as a mortar bombardment shook the strategic town of Osijek.

Both sides in the bloody ethnic conflict stepped up a propaganda war as European Community (EC) ministers met in the Hague to discuss a peace plan.

Croatian Prime Minister Franjo Greguric Tuesday demanded an immediate meeting of the collective federal presidency "to consider the continuing aggression against Croatia by the Yugoslav army and Serbian extremists."

Hospital officials at Osijek said a 13-year-old girl and a policeman were killed when mortar fire rained on the centre of the town near Croatia's eastern border with its archrival Serbia.

Another policeman was killed and two were wounded in a clash near Osijek which is at the centre of a region where Serbian guerrillas opposed to Croatian independence have seized control of

territory. Fighting has continued, although on a reduced scale, since the six Yugoslav republics agreed to an EC-sponsored ceasefire and peace process early Monday.

Almost 400 people have died since Croatia and neighbouring Slovenia declared their independence from the Balkan federation on June 25.

According to the ceasefire terms, Croatian forces and units of the Serbian-led federal army are supposed to have disengaged and guerrilla units laid down their weapons.

Diplomats said both sides seemed anxious to blame each other in the eyes of EC ministers for the violations.

Croatian Radio said the army took part in the mortar attack on Osijek which began at five a.m. (0300 GMT) and forced residents to take shelter in basements. Fighting lasted for almost six hours.

The charge was denied by local army commanders, who said a

military training camp in the town was attacked by Croatian forces firing mortars and automatic weapons.

The federal army, accused by Croatia of helping the guerrillas, reported that it was also attacked during the night at Petrinja and Glinje south of Zagreb, and at Gospić near the Adriatic coast.

The incidents followed fighting at Petrinja Monday when the army and Croatian forces blamed each other for starting clashes in which two people died.

A letter to army commanders by Croatian Defence Minister Luka Bebić called on the military to stop their "genocidal activities," in Petrinja.

Croatian officials said a total of five civilians and two policemen had been killed since the latest ceasefire agreement and 38 people wounded. They accused the army of 11 unprovoked attacks.

Although Yugoslavia's political leaders have agreed to the ceasefire, no practical mechanisms for enforcing it have been put in place.

Two hundred civilian monitors from the EC and other countries will not be deployed unless their safety is guaranteed.

But most of the fighting is carried out by guerrillas who belong to private armies which are not under political control.

Western diplomats said the federal army had little incentive to provoke more fighting after being blamed along with Serbia by the EC for prolonging the conflict in recent weeks.

Efforts by Croatia to internationalise the dispute have succeeded in isolating the government of Serbian President Slobodan Milosevic.

Germany, which has threatened to recognise Croatia and Slovenia if the violence does not stop, summoned the Yugoslav ambassador in Bonn Monday to complain about continuing violations.

Diplomats in Belgrade said however that responsibility was less clear cut. "What we are seeing is a struggle for the hearts and minds of the EC," one said.

Soviet Communists defend party, warn of destruction

MOSCOW (R) — Soviet Communists said Tuesday the party was being illegally persecuted and warned that proposals before parliament would destroy the Soviet state.

Roy Medvedev, an historian persecuted by the party under past Soviet leaders, told the country's supreme legislature the authorities were imitating past repression with the suspension last week of the party's activities and confiscation of its possessions.

"As the totalitarian regime in our country was criminal and illegal... equally illegal is the present effective removal of the Communist Party and suspension of its activities and arbitrary deprivation of its material resources," he said.

A Byelorussian deputy, Alexander Zhuravlyov, declared he would not abandon Communist ideals and the parliament should not approve proposals to abandon the present government structure.

"I am a Communist, a con-

vinced Communist, because I believe that the Communist idea is a state form of Christianity," he told the legislature, the Congress of People's Deputies.

Proposals by Soviet President Mikhail Gorbachev and the leaders of 10 republics to create a small legislature of Republican representatives for a transitional period would be the death knell of the Soviet state, he said.

"It will not be a country, it will not be a state," Zhuravlyov said. "You will cease to be deputies a few days after the (proposed) union treaty (between republics) is signed, because one cannot be a deputy of a non-existent state," he said.

About a quarter of the deputies in the ball applauded.

Soviet television showed former top officials in the party and government, including ex-Prime Minister Nikolai Ryzhkov, former Byelorussian Communist leader Nikolai Silyukov and former Azerbaijan Communist leader Abdul Rahim Vezirov listening intently.

Baku rejects Karabakh independence declaration

MOSCOW (R) — Azerbaijan Tuesday rejected as unconstitutional the decision of a mainly Armenian enclave to declare its independence from the Caspian Sea Soviet republic.

Nagorno-Karabakh, scene of bloody ethnic clashes over the past three years, declared itself independent Monday, taking with it the neighbouring Sharmyan district to the north into a "Nagorno-Karabakh Armenian Republic."

Azeri representative Mitat Abbasov told a television session of the Congress of People's Deputies, the Soviet Union's supreme legislature, that regions breaking away from republics were unconstitutional, destroying existing agreements.

"Yesterday's self-styled declaration of independence in the republic of Azerbaijan... is precisely such an act and its sole aim is to torpedo the dialogue between the Azeri and Armenian communities," he said. "We categorically reject it."

He said the Azeri parliament had also passed a decision condemning Monday's declaration as unconstitutional.

The declaration by Nagorno-Karabakh, where 800 people have been killed in the past three years, made clear the region wanted no part in Azerbaijan's own decision last week to proclaim independence from the Soviet Union.

Nagorno-Karabakh declared itself part of the neighbouring Republic of Armenia in 1988, but neither Soviet authorities nor Azerbaijan recognised the declaration.

The Armenian News Agency Snark quoted a spokesman for Nagorno-Karabakh's Executive Council as saying: "We lost hope of getting support for our cause from Armenia or Azerbaijan and in a situation where other republics are declaring their independence we decided to delay no longer."



A Croatian soldier gives a victory sign from an armoured car in Komarevo, about 40 miles south of Zagreb, which Serbian forces have been attacking for several weeks.

Britain, China sign airport accord

PEKING (AP) — British Prime Minister John Major strongly urged China Tuesday to improve its human rights record and pressed Premier Li Peng for information about several jailed dissidents.

Mr. Major made a "strong and detailed" appeal on human rights during his talks with Mr. Li, said a British official who spoke on condition of anonymity in keeping with official practice.

The two leaders also signed an agreement Tuesday to build a new airport in Hong Kong, ending a long dispute that demonstrated China's clout in the colony even before Britain returns it in 1997.

Later Tuesday, Mr. Major met with President Yang Shangkun, who called the British leader's visit of "great significance."

Mr. Major gave Mr. Li a letter from the international human rights group Amnesty International that expressed concern over the treatment of several jailed dissidents, including two who are on hunger strikes.

International human rights groups have criticised Mr. Major's trip, saying it bolsters the image of China's authoritarian government. But Mr. Major has defended it, saying contacts with China rather than isolation is needed.

Mr. Li rejected the British leader's human rights concerns.

Instead, he delivered a rebuke to Britain and other foreign countries that encroached on Chinese territory in 19th and early 20th centuries.

Mr. Li said a Chinese historian had asked him in a letter "not to forget the history of China being bullied and humiliated in the past more than 100 years. In this more than 100-year period, foreign powers totally disregarded the human rights of the Chinese people."

Mr. Li's comments were relayed by Foreign Ministry spokesman Wu Jianmin at a news conference.

"Li Peng pointed out with emphasis that... it's very natural for China and Britain to have differences due to their different social systems," Mr. Wu said. "However, the two sides can exchange opinions on this, so as to enhance mutual understanding."

He reiterated China's insistence that leading dissident Chen Ziming and Wang Jintao, who began hunger strikes last month to protest poor conditions in prison, have received humanitarian treatment.

The two men are serving 13-year terms for taking part in the 1989 democracy movement, which was crushed by the Chinese army. The government has said they are now eating some food, but was not allowed relatives to see them.

Mr. Major is the first Western leader to visit China since the 1989 army crackdown drew international condemnation. Japanese Prime Minister Toshiki Kaifu's visit last month was the first by a leader of the industrialised democracies, but Japan has placed less emphasis on human rights in its foreign policy than Britain and other Western nations.

China has resisted Western pressure to relax its tight political controls and release jailed democracy activists.

After their 2½-hour talk, Mr. Major and Mr. Li signed the memorandum of understanding on the Hong Kong airport. They toasted each other with champagne after signing the document in the Great Hall of the People.

"We have every reason to be fully confident of the prosperity and stability of Hong Kong," the state-run Xinhua News Agency quoted Mr. Li as saying.

Xinhua said he also told Mr. Major, "so long as we respect each other and seek common grounds while setting aside differences, Sino-British relations will have a broad prospect for development."

The airport agreement gives China the right to be consulted extensively on each stage of construction of the \$16.2 billion airport and port project, and on any other major undertaking by the British colonial government.

WORLD NEWS IN BRIEF

Bessmertnykh 'warned' coup leaders

MOSCOW (R) — Former Soviet Foreign Minister Alexander Bessmertnykh, sacked for not resisting last month's abortive coup, said Monday he warned its leaders that their action would provoke international outrage and sanctions. He also reiterated in an interview on Russian television his assertion that Soviet President Mikhail Gorbachev forced him out without letting him explain his apparent inaction during the three days before the coup collapsed. Asked whether he spoke to the coup leaders, Mr. Bessmertnykh said: "I told them, 'If there is a state of emergency I can absolutely guarantee as foreign minister there will be a blockade, sanctions, you won't get one grain of cereals and credit lines... will be shut off.' This would have a disastrous effect on the country, he said he told them. "Especially if something happens in the Baltic republics. God forbid blood should flow there again, because then the world would explode," he said. But he said the coup leaders responded that the West was not really helping to save the Soviet Union from economic collapse. "They did not see it (his warnings) as a threat," said Mr. Bessmertnykh, who was replaced as foreign minister by Boris Pankin.

Indian, Pakistani commanders meet

JAMMU, India (AP) — Indian and Pakistani army commanders were to meet Tuesday to discuss a series of border clashes that left six soldiers dead. Military officials said the clashes ended Monday and India and Pakistan each claim that three of their soldiers were killed in the incidents. India reported three civilians also were killed. Shootings along the unmarked ceasefire line are routine, but the fighting was described as unusually heavy. The clashes began in the Poonch district, an area about 100 kilometres east of Pakistan's capital, Islamabad, and 120 kilometres northwest of Jammu, the winter capital of India's Jammu-Kashmir state. Jammu is 500 kilometres north of New Delhi. India and Pakistan gave conflicting reasons for the latest flare-up. Indian officials said Pakistani troops gave covering fire to Kashmiri militants infiltrating the border on Aug. 25, and said two of its soldiers were killed in that incident.

Scores hurt in Kashmir riots

JAMMU, India (R) — Scores of people were wounded when youths rampaged through this Hindu enclave in India's Muslim-majority Kashmir state Tuesday, blaming separatists for a bomb blast at a temple in which 35 people were injured. Official sources said the army had been put on standby after hundreds of Hindu youths poured into the streets of Jammu Monday night to loot and burn Muslim shops, then defied a curfew Tuesday to burn stones at security forces. The sources said about 30 people had been injured in Monday night's attacks and 100 more, including policemen, had been injured since the crowds gathered again Tuesday. No one has claimed responsibility for the bomb which went off at the city's Raghunath Temple as thousands were gathered there on a public holiday Monday marking the birth of Lord Krishna, the most celebrated deity in the Hindu pantheon.

Heatwave brings trouble on U.K. streets

LONDON (R) — Riot squads clashed with youths in three British cities as a heatwave brought trouble to the streets overnight and disturbances flared in a high-security prison, police said Tuesday. A power failure led to looting and attacks on police in Birmingham, England's second city. Police in the University City of Oxford charged through a barrage of beer bottles to disperse 150 youths after two people who asked them to stop causing trouble were beaten up. Oxford police are trying to smash teenage gangs who have been stealing cars and racing them around the streets on hot summer evenings. Weathermen said a

heatwave would persist for several days. In Cardiff, Wales, riot police made 11 arrests after a fourth night of disturbances involving about 300 people. Police were trying to keep youths from besieging an Asian-owned shop. Police surrounded high-security Shotts Prison in Scotland after 53 inmates barricaded themselves into part of the jail. There were no reports of injuries at the prison. In another violent episode, a street preacher went berserk in a London suburban shopping centre and stabbed three women police officers. Two of the women had emergency operations for their wounds.

Imelda to return without Marcos' body

MANILA, Philippines (AP) — Imelda Marcos said Tuesday she will return home to face trial on graft charges if the Philippines government agrees that her husband can eventually be buried in his homeland. The former first lady said she has been hesitant to return to Manila to face charges out of fear that the body of former President Ferdinand Marcos, which has been placed in a temporary crypt in Hawaii, will not be allowed home. "I am willing to go to Manila now to face trial, even without the body of President Marcos, if that is the first step to bring home the remains of my husband to the embrace of his motherland," Mrs. Marcos said. She spoke in an interview from New York Broadcast here by a local radio station. But the former first lady of the Philippines said she would not return without a "clear policy decision" from Manila on what to do with the remains. There was no immediate reply from the government on Mrs. Marcos' statement. On Tuesday, the Philippines government filed new fraud charges against Mrs. Marcos, claiming that she illegally withdrew \$25 million from the New York branch of the state-owned Philippine National Bank.

Kaifu wins key ally

TOKYO (R) — Shin Kanemaru, one of Japan's most powerful political figures, says he will back Premier Toshiki Kaifu for another term of office, setting the stage for a showdown within the ruling party, news reports said Tuesday. Mr. Kanemaru told a Liberal Democratic Party (LDP) meeting Monday that Mr. Kaifu's popularity with voters should be a factor in determining whether he serves another two-year term, according to newspaper and agency reports. "The Kaifu cabinet has come under criticism in political circles... but if we don't listen to public opinion, we won't be able to engage in politics," Mr. Kanemaru told the meeting in Shizuoka, near Tokyo. Mr. Kanemaru is chairman of the largest of five factions that make up the LDP. Faction chiefs usually hold backroom negotiations to pick a new LDP president who, because of the party's dominant position in parliament, automatically takes over as premier.

Cuba moves to build first reactor

HAVANA (R) — Engineers building Communist Cuba's first nuclear power reactor hope to complete and seal the reactor's steel and concrete containment dome in November, the Cuban News Agency Prensa Latina said. The report, quoting local experts, indicated Cuba intended to push ahead with its ambitious multi-million-dollar nuclear energy project, which U.S. politicians have criticised as a safety hazard. Prensa Latina gave no indication whether the political and economic turmoil in the Soviet Union, which has already hit Soviet oil, food and raw material supplies to Cuba, might also threaten the successful completion of the Soviet-designed and equipped reactor. The plant, being built near the port of Cienfuegos on Cuba's southern coast, 240 kilometres southeast of Havana, is projected to drastically reduce the island's total dependence on Soviet oil imports for its energy needs.

Ukraine appoints 1st defence minister

KIEV, Soviet Union (R) — The Soviet Union's "second most powerful republic," the Ukraine, appointed its first defence minister Tuesday, following up last month's declaration of independence from Moscow.

The Ukrainian parliament approved the appointment of Major-General Konstantin Morozov, an ethnic Russian, by 323 votes to three.

The 49-year-old former fighter pilot told the chamber his Ukrainian was rather rusty. He was allowed to answer deputies' questions in Russian.

The parliament declared independence, subject to referendum, on Aug. 24, three days after the collapse of a right-wing coup against Soviet President Mikhail Gorbachev.

The republic of 50 million people has already started to form its own National Guard and declared the Ukraine a nuclear-free zone.

Gen. Morozov was head of the Soviet Air Force in the Ukraine, and thus directly subordinate to the new Soviet Defence Minister Yevgeny Shaposhnikov, who was promoted from air force chief after the coup.

Ukrainian leader Leonid Kravchuk told parliament he had spoken to Gen. Shaposhnikov by telephone earlier Tuesday and told him the armed forces would have to be reorganised on Ukrainian soil immediately.

Answering deputies' questions, Gen. Morozov, stressed the need to provide better food and housing for the military.

"I think that to end the tension and to build up trust in the armed forces, the Ukrainian minister of defence could be a civilian," he said. "If you insist on the point, I will leave the ranks of the armed forces."

Bonn asks Soviets to extradite Honecker

MOSCOW (R) — Germany Tuesday renewed a demand for the Soviet Union to extradite former hardline East German Communist leader Erich Honecker in Moscow.

But the diplomatic request made little immediate headway, a German embassy spokesman said.

Ambassador Klaus Blech reminded Soviet Deputy Foreign Minister Vladimir Petrovsky of the outstanding extradition request.

"Petrovsky's response was unfortunately not very forthcoming," embassy spokesman Enno Barker said. "He limited himself to saying that they would study the matter."

Mr. Honecker, 79, built the Berlin Wall at the height of the East-West cold war in 1961, creating the most potent symbol of a divided Europe.

He fell from power in the popular revolutions that swept Eastern Europe in 1989 and the wall tumbled with him.

Within months he was a broken man, accusing Moscow of having orchestrated his fall and facing charges of corruption and the

murder of nearly 200 people who died trying to escape from the former East Germany.

In March 1991 Mr. Honecker was secretly taken to Moscow for medical treatment just as German authorities were renewing efforts to arrest him for ordering guards to "shoot-to-kill" at the wall.

Bonn accused Moscow of violating international law.

He has been living under guard at a Soviet military hospital with a pension of 510 marks (\$345) a month.

Philippine defence chief appeals for approval of U.S. base extension

MANILA (AP) — The acting defence secretary warned Tuesday that the military cannot win the war against Communist rebels or defend territorial claims if the Philippine Senate refuses to let the U.S. Navy stay at Subic Bay.

But a retired colonel who is now a prominent left-wing congressman said the presence of U.S. forces has reduced the capabilities of the Philippine military and contributed to a system that encouraged the Marxist insurgency.

The statements were delivered during the second day of Senate Foreign Affairs Committee hearings on an agreement under which the United States will abandon Clark Air Base next year but keep Subic for 10 more

years for \$203 million in annual aid.

Two-thirds of the 23-member Senate must ratify the extension before the current agreement expires on Sept. 16. Supporters say they lack votes for ratification.

During the hearings, Acting Defence Secretary Renato De Villa said the Philippine military depends heavily on the United States for military equipment provided for under the Subic agreement.

"The adverse consequences (or rejection) will impact severely on the effectiveness and momentum of the (military's) internal security operations, particularly its counterinsurgency campaign," Gen. De Villa said.

He said that unless the government is prepared for a dramatic increase in the defence budget, "these adverse consequences could very well affect the morale of our men."

Morale problems in the armed forces were responsible in part for seven coup attempts which have shaken the government since President Corason Aquino took office in the 1986 "people power revolution" that toppled the late President Ferdinand Marcos.

COLUMN

Jerry Lewis
Telethon raises
\$45,071,857

LAS VEGAS (AP) — Comedian Jerry Lewis joined other celebrities and muscular dystrophy victims in coaxing a record \$45,071,857 out of viewers during his 26th annual Labor Day Telethon. Pledges during the 2½-hour show, which ended Monday afternoon, surpassed last year's record of \$44,172,186 for the Muscular Dystrophy Association. The telethon drew some pickups in Las Vegas, Los Angeles and Denver, but Lewis won accolades from those appearing on the annual show. The studio audience at the host Sahara Hotel tossed confetti into the air and cheered as the tote board went over last year's record. Lewis cheered again and shot a fist into the air when a second tote, minutes later, pushed the total over \$45 million. Lewis sang his staple song, "You'll Never Walk Alone," and wiped tears from his eyes as he walked from the stage. Earlier, actor Jameson Parker fought back tears as his daughter, 6-year-old Katherine, who suffers from a sometimes fatal form of muscular dystrophy, told Lewis: "Thank you for letting me smile." Parker, star of the CBS television series, Simon and Simon, said he was grieving in the kitchen one night shortly after he learned of his daughter's illness when Lewis called to offer sympathy and support. "He's given hope to millions of people who had no hope," Parker said.

Firefighters save child in car window

OLATHE, Kansas (AP) — Two firefighters who just happened to be nearby were able to save a 2-year-old girl who was being choked by a parked car's power window. Joanna Granzow was unconscious by the time the firefighters reached her, but they managed to revive her. Capt. Ken Keiter and firefighter David Dock of the Olathe Fire Department were soliciting contributions for the Muscular Dystrophy Association Saturday. "We heard this couple screams, 'they, this little girl's got her head stuck in the car window,'" Capt. Keiter recalled Sunday. "We ran over to the parking lot from the intersection, and it was scary — this little girl was all purple." Joanna apparently touched the window control switch with her leg when she put her head out of the window of her parents' car. The glass came up and choked her. Her father, Lyle Granzow, was in the front seat but did not hear her. "My eyes were closed, and the next thing I knew she just kind of looked like she was dead with her eyes looking up in the air and all glassy," said Mr. Granzow. The firefighters lowered the window and got Joanna out of the car. "Once we got her head out of the window, she was real purple and unconscious, no breath and no pulse," Capt. Keiter said. Capt. Keiter said he and Mr. Dock began performing cardiopulmonary resuscitation. "It seemed like it was going on forever, and she wasn't responding to it at all," Capt. Keiter said. "So we just kept going... Then she started coughing and gasping, and the colour started coming back into her face." Joanna was taken to Shawnee Mission Medical Centre and released later Saturday.

Cockroach recipe 'certain to please'

PEKING (R) — Take one cockroach, marinate in wine for a day, fry it in beef fat and smother with chocolate — it tastes delicious, according to China's Yangsheng Daily newspaper. Cockroach cuisine, as developed by a German biologist, was more nutritious than beef and could be adapted to include fried cockroach, cockroach-studded pastries or a simple cockroach porridge, the newspaper's edition said. "With the right cooking method, it will be a welcome new dish on the family table," the newspaper said.

S. Korean police hunt high-tech pimps

SEOUL (R) — Police are seeking arrest warrants for a ring of South Korean women pimps who used fax machines to target Japanese male customers. The women used fax machines to gather information on Japanese tourists staying in Seoul hotels before contacting the potential customers and offering to send over girls for sex. Police official said Monday: "Japanese are known to be big spenders here," he said.